

retirement under certain conditions officers of the Army of the United States, other than officers of the Regular Army, who incurred physical disability in line of duty while in the service of the United States during the World War.

Mr. WALSH of Massachusetts. One of the Senators who absented himself a moment ago desires to be heard on the motion, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Adams	Dial	Keyes	Sheppard
Ball	Ferris	King	Shipstead
Brandeggee	Fess	Lodge	Smith
Brookhart	Fletcher	McKellar	Smoot
Broussard	Hale	McKinley	Spencer
Bruce	Harris	McNary	Standfield
Bursum	Harrison	Neely	Stephens
Cameron	Heflin	Norris	Sterling
Capper	Howell	Oddie	Trammell
Caraway	Johnson, Minn.	Overman	Walsh, Mass.
Colt	Jones, N. Mex.	Pepper	Warren
Curtis	Jones, Wash.	Ralston	Weller
Dale	Kendrick	Robinson	Willis

The PRESIDING OFFICER. Fifty-two Senators having answered to their names, a quorum is present. The question is on the motion of the Senator from New Mexico to proceed to the consideration of Senate bill No. 33.

Mr. KING. Mr. President, may I ask the Senator from New Mexico if he will not postpone his motion for the consideration of this bill to-day and present it to-morrow? A number of us are engaged now in committee work.

Mr. BURSUM. I will be very glad, if the bill can be made the unfinished business, to lay it aside so that other matters may be taken up, and I will not call it up until to-morrow or perhaps the next day. Anyway, I will give the Senator from Utah ample opportunity and notice, so that he may have every chance to discuss the bill.

Mr. LODGE. Mr. President, I do not see how the time can be parceled out in that way two or three days ahead. The Senator from New Mexico apparently proposes to take possession of the time of the Senate by yielding the floor, parceling out the time days ahead. There are other important bills pressing for action.

Mr. BURSUM. I will say to the Senator from Massachusetts that I stated that I would be willing to lay the bill aside; that if there were other bills which Senators desired to have considered, I would not press to have this bill discussed to-day.

Mr. LODGE. I was in hopes the bill could be disposed of in a short time.

Mr. BURSUM. I think it can. It ought not to take over a couple of hours. The Senator from New York [Mr. WADSWORTH] is opposed to it and will speak. He advised me he would not take up a great deal of time in all probability. The bill was passed two years ago by the Senate after quite a little discussion. The vote on it was 50 to 14. It is not a new matter to the Senate. It is something that has been considered before, but it ought to be taken up. There ought to be some assurance that it will be considered. It is one of the first bills on the calendar.

Mr. LODGE. The Senator would have it taken up now and then lay it aside temporarily.

Mr. BURSUM. I am ready to do that very thing.

Mr. LODGE. But I think it ought to be disposed of so as to make way for other bills.

Mr. BURSUM. There will be no disposition so far as the Senator from New Mexico is concerned to put off the time for its consideration, and yet I expect to defer, as a matter of common courtesy, to any Member of the Senate who may desire more time in order to get ready to discuss the bill.

Mr. DIAL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from South Carolina?

Mr. KING. I yield.

Mr. DIAL. I believe the immigration bill is ready. What is the reason why we can not take up that measure?

Mr. KING. I do not think the Senator from Rhode Island [Mr. COLT] is ready to ask the Senate to proceed to the consideration of the immigration bill. If so I should be glad, of course, to accommodate him so far as I can. May I ask if the Senator from Rhode Island is ready to take up the immigration bill?

Mr. COLT. Yes; I am ready to move to take up the immigration bill.

Mr. KING. Will the Senator move to take it up now, or has the Senator yielded his right to priority to the Senator from New Mexico?

Mr. BURSUM. I submit that there is a motion now pending. The PRESIDING OFFICER. The Chair was about to suggest that there is a motion pending, and the motion suggested by the Senator from Utah would necessarily be out of order.

Mr. BURSUM. I do not know of any rule whereby, when there is a motion to take up a bill pending, a motion to take up another bill can displace it.

Mr. COLT. I was going to say to the Senator from Utah that I do not want to displace the bill which the Senator from New Mexico has in charge. I propose to move to take up the immigration bill after the disposition of that bill.

Mr. KING. Did the Senator say after its disposition?

Mr. COLT. Yes; after the disposition of the bill of the Senator from New Mexico.

Mr. KING. That may be a long time. If the Senator from New Mexico persists in his motion I shall have to proceed.

Mr. ROBINSON. I suggest to the Senator from New Mexico that perhaps it might be well to let the motion go over for the time being. I do not understand that there is any intention to attempt to pass the bill this afternoon.

Mr. BURSUM. No. I understand there is a great snowstorm now in progress, and that it is the desire that the Senate shall adjourn early.

Mr. CURTIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Kansas?

Mr. KING. I yield to the Senator from Kansas.

Mr. CURTIS. I stated to the Senate a little while ago that because of the storm it was thought the Senate ought to adjourn early. In the last snowstorm we had some Senators who were over three hours in getting home in taxicabs. There is a very severe storm now in progress and many cars are tied up. I was in hopes that we could adjourn early this afternoon. I gave notice to that effect awhile ago.

Mr. ROBINSON. Why not adjourn now?

Mr. CURTIS. I did not want to interfere with the Senator from New Mexico.

Mr. NORRIS. I want to call attention to the fact that some Senators who have some distance to go to get home have already left and will not be here again to-day. They went away because of a fear that they might not be able to get home later through the storm.

ADJOURNMENT

Mr. CURTIS. Very well. I move that the Senate adjourn.

The motion was agreed to; and the Senate (at 3 o'clock and 5 minutes p. m.) adjourned until to-morrow, Wednesday, April 2, 1924, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, April 1, 1924

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

To Thee, O Lord, we offer our daily tribute of praise and gratitude, such an offering, the expression of sincere hearts, Thou wilt not despise nor turn aside. Look down upon us and incline Thine ear to our prayer. For the sake of Him who loved us and bore our shame, whisper Thy loving forgiveness in all waiting hearts. So lead us that we may grow in wisdom and in divine favor. Teach us how to follow and obey the lessons and precepts of our Savior. Hasten to correct our ignorance and rule in all our ways and motives that direct our lives. While for all mankind we pray, O hear us for the land we love the best. Bless our President, the Speaker, the Members, and officers of this Chamber and be our everlasting refuge. Amen.

The Journal of the proceedings of yesterday was read and approved.

STATE, JUSTICE, COMMERCE, AND LABOR APPROPRIATION BILL

Mr. SHREVE, from the Committee on Appropriations, reported the bill H. R. 8350 (Rept. No. 419), making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1925, and for other purposes, which was read a first and second time and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. BYRNS of Tennessee. Mr. Speaker, I reserve all points of order on the bill.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill:

H. R. 7449. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1924, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1924, and for other purposes.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8233) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year June 30, 1925, and for other purposes. Pending that I suggest to the gentleman from Louisiana [Mr. SANDLIN] that we agree upon some limitation of time for general debate.

Mr. SANDLIN. Mr. Speaker, I have requests on this side for about four hours and a half. I have boiled that down from about six hours.

Mr. WOOD. I have requests for about two hours and a half, and I desire to make some remarks myself somewhere along the line which might take an hour or an hour and a half. Does the gentleman not think that he can cut his down a little bit more?

Mr. SANDLIN. I would agree on three hours on a side.

Mr. WOOD. Well, that would be six hours, if we agree on three hours on a side, and if we start now that would take us up to about 6 o'clock.

Mr. LONGWORTH. Mr. Speaker, I hope an understanding can be had that general debate upon the bill will be concluded to-day. There are some very pressing matters, as, for instance, the immigration bill and the child labor resolution, and some others that we ought to dispose of just as soon as possible.

Mr. SANDLIN. That would be agreeable to me.

Mr. WOOD. Will the gentleman agree that general debate shall conclude before we adjourn this evening?

Mr. SANDLIN. Yes.

Mr. WOOD. Mr. Speaker, I make that request.

The SPEAKER. The gentleman from Indiana asks unanimous consent that general debate be concluded by the time the House adjourns to-day, if not before. Is there objection?

There was no objection.

Mr. WOOD. The time has already been equally divided.

The SPEAKER. That has already been agreed to. The question is on the motion of the gentleman from Indiana that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the independent offices appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8233, with Mr. LEHLBACH in the chair.

The Clerk reported the title of the bill.

Mr. WOOD. Mr. Chairman and gentlemen of the committee, I shall try as briefly as I can to state some of the more prominent features of the bill and the recommendations that we have made therein. First, I wish to say that the bill and the other appropriation bills that have preceded this furnish concrete examples of the great value of the Budget system. Before we had the Budget system the committees having in charge these various appropriation bills heard but one side of the case, and we had to depend entirely upon the representations made by those who appeared before us representing the various departmental activities for the facts on which to base our conclusions in appropriations. Sometimes the facts that came to us were dependable and sometimes, I regret to say, they were not. In my experience here it has been openly confessed before the Committee on Appropriations, and discovered in other cases, that these activities have intentionally expended all of the money that they had on hand in order that their appropriations for the then current year might not be reduced. We had no means of ascertaining the absolute necessities for these various activities except through the representation that came to us. Under the Budget system we now have somebody to appear as the friend of the House of Representatives against those who either intentionally or unintentionally would have us make extraordinary appropriations. How much it has saved this Government already is problematical. The machinery is comparatively new, but it is working fine, and with the coming and passing of the years, with the experience obtained in the investigations being

made by the Budget, it will result in a far greater saving in the future. I think it is due this Budget activity that I say these words of commendation, and they are based upon the experience I have had in the years that I have been a member of the Committee on Appropriations.

The report on this bill is very comprehensive and, in fact, it presents in considerable detail what the bill contains. In presenting the various items I shall confine myself very largely to the report that was submitted to the whole Committee on Appropriations.

The Budget estimates upon which this bill is based were submitted by the President in the Budget for the fiscal year 1925 and will be found in detail in chapter 2 of that document, pages 25 to 79. The total appropriations for the independent offices provided for in this measure for the fiscal year 1924 amounted to \$501,821,377. The amount recommended to be appropriated in this bill is \$398,496,890.16.

Mr. HOWARD of Nebraska. Mr. Chairman—

The CHAIRMAN. Does the gentleman yield to the gentleman from Nebraska?

Mr. WOOD. I will yield; yes, sir.

Mr. HOWARD of Nebraska. Without any thought of raising the point of order, I do feel that I ought to suggest to gentlemen on the other side it is their duty to keep a reasonable number of Members here to transact the business of the House. They are responsible for it, for good or ill, and I do request gentlemen over there to keep a quorum here, or pretty close to it.

Mr. WOOD. I thank the gentleman from Nebraska for the suggestion. I want to say here that it is a most unfortunate thing that in the Committee of the Whole House on the state of the Union upon an appropriation bill that is carrying practically half a billion dollars, gathered from the taxpayers of the United States, that those who are in charge of the responsibility of making that appropriation can not at least attend in considerable number the debate upon the proposition. [Applause.]

Mr. DYER. Will the gentleman yield for a question?

Mr. WOOD. Yes.

Mr. DYER. Would the gentleman care to express his opinion as to whether or not the fact that we have taken away from the various appropriating committees their functions and consolidated them in one committee if that has not partly resulted in inattention to appropriation matters?

Mr. WOOD. I do not think so. The same experience we are now having attended us at the time when the various appropriation bills were divided as the gentleman has stated. I am afraid the responsibility is due to the fact of the largely increasing number of this House. If we had a membership here of 300 instead of 435, there would be a better proportionate attendance. Whenever you increase numbers you decrease correspondingly individual responsibility, and in my mind nonattendance is due to that more than anything else.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. WOOD. I will.

Mr. HILL of Maryland. Does not the gentleman think that one reasonable lack of attendance in the consideration of this bill is the very great confidence this House has in the subcommittee of the Committee on Appropriations which framed this bill?

Mr. WOOD. Well, that is very complimentary.

Mr. HILL of Maryland. Is not that the case, leaving out the compliment; is not that actually the fact?

Mr. WOOD. That may be true to a certain extent, but when we come to consider these bills under the five-minute rule, we hear questions propounded and objections made to the debates that are advanced, and we sometimes wonder if they have any confidence in those who reported the bill. If the Members were present during the general debate on the bill, they would not interpose as many trivial objections.

Mr. HILL of Maryland. I put it in the form of a question. As one Member who has read the bill and report of the hearings, I would say we have confidence in the committee.

Mr. WOOD. I thank the gentleman very much for the compliment.

Mr. STEVENSON. The gentleman speaks of the complimentary opinion of the House committee, but I take it the gentleman would esteem it a considerable compliment if the House would attend here and hear the usual lucid and splendid explanation which members of the committee usually make to the House.

Mr. WOOD. I think there is a great deal in that, but I will proceed with the number who are present.

Mr. BUSBY. Will the gentleman yield?

Mr. WOOD. I will.

Mr. BUSBY. Just a moment ago the gentleman stated if the House were cut to 300 Members, perhaps we could have a greater attendance on the floor.

Mr. WOOD. A greater proportionate attendance.

Mr. BUSBY. During the consideration of the bill in the Committee of the Whole House on the state of the Union, does not the gentleman think that because of the duties that are to be performed in the offices, and because of the duties to be performed by Members in their hearings, that would necessarily and naturally lessen the tendency to attend upon the sessions of the Committee of the Whole House on the state of the Union?

Mr. WOOD. Well, there is something in that. But they tell me—I was not here at the time—that before we had the House Office Building and there was no place else to go except here or else in their several offices scattered over town there was a far greater attendance than at present. However, I will proceed with the consideration of this measure.

The bill we have under consideration is \$103,324,486.84 less than the total for the 1924 appropriation and it is \$241,741 less than the amount requested by the Budget estimates. I want to say at this time that apparently the very large increase in this bill is caused by the fact that in this bill is contained the salaries that are being paid as the result of the reclassification. Heretofore the amount carried by the bonus, which was extra compensation, was in a separate bill and not carried in the general appropriation bills. Added to this is the increase in compensation caused as a direct result of the reclassification, and upon page 2 of the report you will find, and it is very instructive, the amount that has heretofore been carried by these separate bills in the way of a bonus for the several activities and departmental functions, amounting in all to \$4,936,400. On page 3 you will also find the increased compensation, which is the direct result of the reclassification measure, which amount in all of the activities represented in this appropriation bill, of \$458,880. These are segregated, the items showing the exact amount of the bonus allocated to each of these various departments and likewise the increase in salary.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. WOOD. I will.

Mr. WILLIAMSON. Can the gentleman inform us whether the personnel has been increased or decreased in the separate independent departments during the past year?

Mr. WOOD. Oh, it has been greatly decreased, the personnel in the various offices. They have been decreased within the District of Columbia between 3,000 and 4,000 within the last year.

Under the Executive Office it was necessary for us to make an appropriation which is out of the ordinary on account of the death of a President, to provide for the compensation of the President of the Senate, who automatically assumed the duties of Vice President, so far as his presiding over the Senate is concerned.

I wish now to call the attention of the committee to our action with reference to the American Battle Monuments Commission. This is a new commission which was created by law, the purpose of which is to place markers not of a personal nature, but defining the places occupied by the United States troops on the various battle fields of France. This is a wonderfully interesting proposition, and we know but little in this country by comparison; but when we compare the magnitude of the territory upon which our boys fought on that battle front with the battle fields of this country—it is amazing how insignificant the territory covered here is as compared with the territory covered over there. We had before our committee a comparative map upon which was placed the battle field of Gettysburg, which is said to be one of the most strategic battle fields in the history of all the wars of the world. In comparison with the extent of territory occupied by our boys in the battles in France, it is a mere speck, and so wonderfully insignificant in comparison that to the ordinary mind it is absolutely amazing.

By way of illustration, the battle front in Europe occupied by our boys covers a space of 11,400 square miles. On this area it is proposed to erect 175 monuments and markers indicating the activities of the 2,000,000 American troops engaged in France. In addition to this it is proposed to spend \$50,000 in the beautification of American cemeteries abroad and in the preparation of plans for the erection of chapels. Most of the other countries have their chapels or places of worship already erected. We have none for the use of those who desire to use it when occasion arises and there are real necessities for it. [Applause.]

We have reduced the estimates of appropriation in some little degree because of the fact that it occurred to us that

the personnel proposed was out of proportion to the necessities and requirements of the occasion. We discovered that they were proposing to pay the clerical force higher salaries in this country than were to be paid to like clerical forces abroad, and higher than the salaries that are being paid for like services in the various departments of the city of Washington and throughout the country. We felt that the precedent was a bad one, and we are quite sure that the appropriation that we have made will avoid that invidious criticism or comparison and that there is plenty of money appropriated to accomplish all the purposes for which this commendable bit of legislation was framed.

For the Civil Service Commission an appropriation of \$473,000 is recommended for salaries for the fiscal year 1925. This is the amount of the estimate, but it exceeds the current appropriation by \$69,020. The sum includes a former appropriation carried in a separate item for the compensation of additional employees amounting to \$107,500.

For four or five years past with each meeting of our committee there has come a recommendation that we increase the amount for rental of the building now occupied by the Civil Service Commission. I think we are getting that building at a cheaper rental than any other public building in Washington.

The building was constructed in 1911 for the use of the Government, with a 10-year lease. We are paying \$16,875 rent, or 35 cents a square foot. We are paying all kinds of prices for other buildings occupied by the Government of the United States. This is the lowest, so far as my information is concerned, and the prices range up to \$1.50 per square foot. Heretofore we have not acceded to the recommendation to increase this amount. They did ask this time that we increase it \$7,001, or make it \$23,876 instead of \$16,875 plus. We split the difference, and have recommended that an increase of \$5,000 be made.

Mr. STENGLE. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. STENGLE. Will the gentleman tell us what salaries are set apart for the Civil Service Commissioners?

Mr. WOOD. Under the classification act their salaries are fixed at \$7,500.

Now as to the Employees' Compensation Commission, perhaps some of you gentlemen here have read the hearings before our committee when we were examining those who appeared before us representing the commission. No doubt many of you have received letters from these representatives showing the dispute existing at the time between the Employees' Compensation Commission and the Comptroller General. Happily that difference has been settled. Unfortunately, however, I think the chairman of the Compensation Commission sent out word in a letter to the effect that with the payments made in March there would be no further payments made; that they could not be made because of the action of the Comptroller General. That was a mistake which, as I say, has been rectified.

The only trouble existing between those representing the Compensation Commission and the Comptroller General was with reference to certain payments that were being made by the commission for occupational diseases which in the opinion of the Comptroller General resulted from diseases previously received and without furnishing to the comptroller the evidence upon which their judgment was based. There was no occasion for the stopping of the payments to any of those who were entitled to receive benefits by reason of the accidents that had been established, and it was a mistake for those representing the Compensation Commission to send out word to these people that they would no longer get their compensation. That, too, has been rectified.

I wish to say that if the Comptroller General's office is to be what it should be, guarding, if you please, the interests of the taxpayers of the United States and functioning, as it was intended that it should function, as the direct agent, responsible only to the Congress of the United States, there should be no activity but what should be amenable to the action of the Comptroller General, and none but what should be submitted to his action, as all the other activities are submitted there.

Mr. SWING. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. SWING. In case of a dispute between the lawyers in the office of the comptroller and the Judge Advocate General of some great department, ought not that controversy over the interpretation of the law be referred to the Department of Justice or the Attorney General for decision instead of having the Comptroller General take his own lawyers, who are not necessarily chosen on account of the fact that they are the most

eminent attorneys of the country, and considering their word as final?

Mr. WOOD. That is correct, and there has been no attempt, in so far as I am informed, to have anything different.

Mr. SWING. But the gentleman knows about the controversy between the Navy Department and the Comptroller General on a question of law?

Mr. WOOD. Yes; I understand the dispute between the Navy Department and the Comptroller General, and I wish to say a word about that. Unfortunately, by reason of long practice and by reason of the assumed supremacy of the Army and the Navy, it is hard for those gentlemen to understand that there can be anyone to say "nay" to their authority. One of the very purposes of the creation of this General Accounting Office was that we might have some check upon the expenditures being made in these departments as conditions existed. If the contention of the Navy were to prevail, the General Accounting Office would have no jurisdiction over that department and could not check any action which it might take. Under that condition any petty paymaster, who is under a bond of possibly \$5,000, or at the most \$10,000, could pay out hundreds and hundreds of thousands of dollars, and no matter what might be the error, the only recourse the Government would have would be to institute suits to recover. It was for the purpose of preventing just such things as these that the General Accounting Office was established, and it was established for the purpose of having a check upon the indiscriminate expenditures which were too often made without due investigation and too often resulted in fraudulent transactions.

Now, we come to the Federal Trade Commission. I wish to state, in view of the criticism which has been made with reference to the action of this committee, that I have been the friend of the Federal Trade Commission and am its friend now. I have defended it here when it had but few defenders upon this floor; I am its friend to-day and will continue to be, but there are some things which I think this committee should be apprised of.

Unfortunately the activities of this commission have gone far afield. Perhaps they are not entirely responsible for that. This body has not been a very frequent offender against the law creating the Federal Trade Commission, but another body has been a very frequent offender. Some one gets up in that body and presents a resolution asking for the investigation of this matter or that matter, and it is sometimes a matter which is about as important as an inquiry into the competition between the sparrows and pigeons in one of our public parks as to which gets the most food. In consequence these gentlemen divert the employees of the Federal Trade Commission in making these investigations. Without a single exception these resolutions have been passed without carrying an appropriation in order to conduct the investigation proposed.

Mr. GRIFFIN. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. GRIFFIN. Does the gentleman know how many of those investigations have been initiated by the other House since the creation of the Federal Trade Commission?

Mr. WOOD. I do not know the exact number, but there have been many which had nothing to do with the law which created the Federal Trade Commission. I am glad to say the House has been a very infrequent offender.

Mr. GRIFFIN. If the gentleman will permit, I will say to him that I put in the RECORD of yesterday a summary of the activities of the Federal Trade Commission since its inception. That summary shows that 23 investigations have been initiated by the Senate, 7 by the House and 6 by the President.

Mr. WOOD. I am very thankful for the information. But whether they be many or few they involve the expenditure of a lot of money. We have information before us to the effect that for the last four years the Federal Trade Commission has been compelled, in making the investigations that have come solely by reason of these resolutions, to expend an average of \$341,000 a year. So it occurs to me that any investigation which is inaugurated by the Senate—and I am speaking from my own personal viewpoint—is of sufficient importance that it should attract the attention of this body. These investigations are made among the people of this country and made among the various business activities of this country. We are supposed to be the direct representatives of the people and the Senate is supposed to be composed of representatives of the States. So that if a matter is of sufficient importance to put the Federal Trade Commission into action, it is of sufficient importance that this body should have something to do with it, and to my mind each one of these resolutions should carry an appropriation.

It is a mighty easy matter to introduce a resolution putting this commission into action and without ever stopping to consider the cost of it. We are told that some of these investigations—which are made, if you please, without any consideration upon the other side save the mere presentation of the resolution and the passing of it—have cost the Government \$150,000, and I have yet to find one that ever amounted to anything.

Now, then, it was our desire not to cripple this commission, but to find out, if possible, how much money was absolutely necessary to carry on the legitimate business of that commission. Under the act creating the Federal Trade Commission it has the duty of making investigations upon its own motion whenever it finds there are practices that are not warranted by legitimate trade.

Now, that is the primary function of the Federal Trade Commission. In addition to that it shall, upon the request of either House of Congress or the President of the United States or Attorney General of the United States, make investigations where it is patent or believed that the antitrust laws have been violated, and yet many of the resolutions that have put the Federal Trade Commission into action, and have involved the expenditure of thousands of dollars, had nothing to do with the violation of any antitrust law. So for the purpose of getting this thing before the House and for the purpose of letting these men know that they should conduct their activities within the law we inserted the provision which is carried in this bill.

I wish to say that during the consideration of this measure before the entire committee it was suggested—and we acted upon the suggestion—that these men be brought before us to see if we could not find out and ascertain the amount of money that would be necessary for them to conduct their legitimate business. They have reported they can do it with an additional \$160,000, and when the proper time comes we will make a motion to increase the recommended appropriation by that amount.

Here is another thing: It is not my desire to criticize these men or those who are in charge of this activity, but they have not been fair with the Congress and they have not been fair with the Budget. If we are to rely upon the Budget we should have coordination between these various activities.

Mr. GRIFFIN. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. GRIFFIN. The gentleman suggested that the commission has not been fair with the Budget?

Mr. WOOD. Yes.

Mr. GRIFFIN. Is it not a fact that in its estimate the Budget recommended the appropriation which this committee has cut down \$200,000?

Mr. WOOD. No; that is not correct. There is not a thing in the world I want to keep away from this committee. After the Budget was submitted in this case, I had a conference with General Lord myself, thinking that possibly they had cut the Federal Trade Commission too close, and upon reflection he was of the opinion that possibly this was true, and recommended that the amount be increased by the sum of \$50,000. We brought these men before us. We tried to get them to agree upon an amount that would be sufficient to conduct their activities. It was a hard thing to even get them to give us a figure. Finally, there was a statement that with an addition of \$63,000 it might be done, when we ascertained before we had concluded the examination that they had hoped to get this \$63,000 from us and had asserted they would go before the other body and get \$200,000 more. I ask if that is frank.

Mr. GRIFFIN. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. GRIFFIN. On page 20 of the report, containing a summary of the Budget recommendations and the proposed appropriations, you will find that the amount recommended by the Budget as the Budget estimate is given as \$950,000. The amount recommended in the bill is \$750,200 or \$199,800 less. If that is not going beyond the Budget and disregarding the Budget, I would like to know what the gentleman thinks about it.

Mr. WOOD. I will tell you exactly what I think about it. The gentleman testified they were spending \$341,000 a year in making investigations under direction of the President or Congress.

Mr. GRIFFIN. Will the gentleman yield?

Mr. WOOD. Let me answer your question. We submitted this whole thing to these gentlemen and there is now a complete understanding between us and the Federal Trade Commission. If you will leave the provisions in this bill that are provided for with reference to the functioning of this board

hereafter, they will get along first rate, and they want this very relief, for their own protection. I appreciate the position they are in.

A Senator gets up on the floor of the United States Senate and causes to be passed one of these investigating resolutions. It is then sent down to the Federal Trade Commission with instructions to act. It is a very embarrassing thing for them not to act, and as long as they have had money under which they might function, they have been doing that.

Mr. GRIFFIN. If the gentleman will yield, they have not done that so often in nine years—23 times.

Mr. WOOD. I do not care about that. They had no right to do it once.

Mr. GRIFFIN. I asked the question whether the committee had not reduced the appropriation as recommended by the Budget and the gentleman said no; and I then referred to the page in the report where admission is made in cold print that the estimate has been reduced \$199,800.

Mr. WOOD. And I told the gentleman that if he will take the \$315,000 away from the Budget recommendation, a portion of which was expended unlawfully, they have a greater appropriation now than they had before for investigations prescribed by statute.

Mr. BYRNS of Tennessee. Will the gentleman yield? Was it expended unlawfully, I will ask the gentleman? Does not the law provide that they shall make these investigations on request of either branch of Congress?

Mr. WOOD. When?

Mr. BYRNS of Tennessee. When either branch of Congress requests it.

Mr. WOOD. No, sir; it does not contain any such provision. The provision that the gentleman is confusing provides that they shall make such an investigation upon the request of either House of Congress, when? When the antitrust laws have been violated.

Mr. CARTER. Now, will the gentleman yield? In how many instances have investigations been made not in connection with the antitrust act?

Mr. WOOD. I will tell you what they do—and the gentlemen have told us, and the gentleman is familiar with it himself.

Mr. CARTER. And I want the committee to understand it.

Mr. WOOD. In order to bring themselves within the purview of the statute they will allege a violation of the antitrust law when the investigation discloses there has been no violation at all.

Mr. CARTER. Mr. Chairman, if the gentleman will yield, this thing has not all been confined to the Senate. Has not the House passed some of these resolutions?

Mr. WOOD. The gentleman from New York [Mr. GRIFFIN] tells me they have. I do not remember one of them, but he tells me there have been seven such cases.

Mr. CARTER. The House has requested 7 of them and the Senate 23 and the President 6. That is the truth about it.

Mr. WOOD. I stated a while ago that these gentlemen have not been fair with the Congress. Two years ago they came before us and said that in order to attend to the business that was before them and was pressing they needed an extra \$50,000 for the purpose of getting an additional force. This was recommended by the Budget, and we gave it to them; and the Budget now tells us they spent \$32,000 of that amount in increasing salaries. We called the gentlemen before us upon that proposition, and they admitted they had used \$19,000 for that purpose, but disputed the fact they had used \$32,000 for such purpose. Was that fair? I want to say to the gentlemen of the committee that the best way in the world for the men representing the various departments to get along with the Congress is to come and put their cards on the board and not try to deceive us; and whenever they do, and appear before a committee of which I am a member, I propose to bring the facts to the House so that all may know them.

As I have stated, I am a firm believer in the purposes of the Federal Trade Commission. The trouble is not with the law. The trouble has been with its administration. A number of years ago a gentleman who had been selected by reason of his fitness for this peculiar character of work, during the administration of President Wilson, told me that he was amazed when he found out how this commission was working; that he had supposed, as you and I imagined, that it was created for the purpose of encouraging legitimate business and for the purpose of rooting out illegitimate business in order that legitimate business might thrive; that he had found it was spying on legitimate business, destroying it, and nothing he could do would change it, and so he thought he would get out, and he did get out.

Mr. SNELL. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. SNELL. The gentleman made the statement that they used a part of the money to increase salaries. Can they increase salaries without reference to Congress?

Mr. WOOD. They were given a lump-sum appropriation, and they had a right to increase the salaries, but they did not tell us they wanted to do it.

Mr. SNELL. Can they do it at the present time?

Mr. WOOD. No; they can not; under the reclassification act that is taken care of.

Mr. CARTER. Will the gentleman yield?

Mr. WOOD. I will.

Mr. CARTER. The Budget estimate was \$950,000 for the Federal Trade Commission. The gentleman, in the report to the Committee on Appropriations, recommended \$750,200. And there was an understanding that if the gentleman found it necessary he would offer an amendment increasing it.

Mr. WOOD. I stated a moment ago—I think the gentleman was not present—that we did have these men before us and we told them to get down to brass tacks and say how much they could get along with. They said they thought they could get along with \$160,000 more, and we will offer an amendment to that effect.

Mr. CARTER. Then the amount carried would be about \$840,000?

Mr. WOOD. Yes; it will be \$840,200.

Mr. CARTER. There is \$20,000 for printing and binding.

Mr. WOOD. I want to say that the commission is behind and woefully behind in their legal department.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. WOOD. I will.

Mr. LaGUARDIA. As a practical proposition how can the commission avoid conducting an investigation called for by resolution of either branch of Congress?

Mr. WOOD. The statute provides how they shall make the investigation—when it appears that the antitrust law has been violated.

Mr. LaGUARDIA. That is the legal phase, but the gentleman can readily understand that a resolution coming from either branch of Congress puts them in an embarrassing position and they are compelled to go ahead with the investigation.

Mr. WOOD. That is what I said a while ago, and that is the reason we put the provision in that none of this money shall be expended except under warrant of law.

Mr. LaGUARDIA. Then that will require a special appropriation when the resolution is passed.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. OLIVER of Alabama. As supplementing the question, the increase which the gentleman will provide for in the amendment that he will offer depends upon whether Congress will adopt the provision you have put in the bill.

Mr. WOOD. Yes.

Mr. BLACK of New York. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. BLACK of New York. Can the gentleman state how nearly the fines imposed by the court for violations of the antitrust act compare with the cost of the commission?

Mr. WOOD. I could not tell the gentleman that.

Mr. BLACK of New York. Can the gentleman state the amount of fines imposed under the antitrust act?

Mr. WOOD. I think the report will give some information on that, but I can not tell the gentleman.

Now the next item I wish to call attention to is the Housing Corporation. The Housing Corporation had charge of all the Government property throughout the United States, and some outside the United States, that was necessitated and purchased by reason of the war. This is in liquidation. Most of our holdings throughout the country have been disposed of or are in process of being disposed of. There are two or three places where we own interurban railroads, and some places where we still own some houses that were built to accommodate the employees of the great manufacturers of munitions during the war. These, to a great extent, have been disposed of. I think the one thing of special importance is the property owned by the Housing Corporation in the city of Washington, which comprises what is known as Government hotels.

About half of the houses were built on land belonging to the Baltimore & Ohio Railroad Co. During the period of the war and some time after we were permitted to occupy these premises without the payment of any rent, but some time ago the railroad became insistent on our paying rent or getting

off the property. As the result of conferences had between some members of the Senate committee and the Department of Labor, that has practical control of the Housing Corporation, and the manager of the Housing Corporation, an agreement was reached whereby a certain sum of money should be paid to the Baltimore & Ohio Railroad Co. as a rental for the land and, as I am informed, about 6 per cent on the condemnation value, or about \$70,000.

Mr. JOHNSON of Kentucky. Will the gentleman yield?

Mr. WOOD. I will.

Mr. JOHNSON of Kentucky. Is it not true that the United States Government owns now, and did own when the houses were built and placed on the ground belonging to the Baltimore & Ohio Railroad Co., land of its own immediately adjoining these buildings?

Mr. WOOD. Yes; and the one amazing feature to me is that they were built on the ground belonging to the railroad, in addition to putting up these buildings—a power house which furnishes heat and light. If it was not for the fact that they placed this power house on the land of the railroad company, we would not have had as much trouble.

Mr. JOHNSON of Kentucky. Is it not true that there was plenty of land belonging to the United States for the erection of the power house?

Mr. WOOD. Yes; plenty of land.

Mr. JOHNSON of Kentucky. Is it not also true that even quite recently permanent improvements have been put on some of the land owned by the Baltimore & Ohio Railroad adjacent to these buildings in the way of construction of sewers and pipe lines and other underground work?

Mr. WOOD. That is true also.

Mr. JOHNSON of Kentucky. Does the gentleman know of any excuse for these things having been done?

Mr. WOOD. I do not know anything about it. It was a foolish thing to do and was a very shortsighted thing to do. The only excuse I can possibly offer is this, that it might have been in the minds of those who were instrumental in putting those buildings up that, being for emergency purposes and the Baltimore & Ohio Railroad Co. agreeing they should have the use of their grounds without rent, they accepted the proffer, under the belief that they would be no longer needed after the war was over, and that they would be torn down. That is the only excuse I can offer. If those who built them had any conception of the fact that they were to be used for four or five or six or eight or ten years after the war was over, then it was a very shortsighted piece of business on their part in locating them where they did.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. KVALE. The gentleman has spoken of useless investigations. Does not the gentleman think that in such a case as this it might be proper to investigate how and why such things came about?

Mr. WOOD. What things?

Mr. KVALE. The building of all those buildings.

Mr. WOOD. Oh, we have so many investigations going on now that they make a person sick, and I have seldom known an investigation to amount to anything. It is nearly time that the Congress of the United States stopped this investigation business and commenced relief legislation for the benefit of the country. Right here I wish to say in passing, because I think the question will come up again, that we have been appropriating money to make investigations that are not warranted by law.

We have gone wild upon the subject of investigation. There are only two or three things that warrant either House of Congress in appropriating money for investigations. One of them is with reference to the membership of either House, one is relative to a Member violating the rules or courtesies of the House, and the other is with respect to impeachment. When you get outside of those three, you have no right to appropriate money, and the time that has been wasted by this Congress—not by this side, but by another body of this Congress—is a shame and a disgrace to the Nation. It has done more to destroy the belief of the people in the integrity of this Government than anything else.

Mr. SUMMERS of Washington. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. SUMMERS of Washington. The mistake of locating the power plant of the Government hotels on the Baltimore & Ohio railroad property was made when the buildings were first located there, during the war, a good many years ago, and an investigation at this time would probably not avail anything.

Mr. JOHNSON of Kentucky. I am not sure that an investigation would avail anything anyway.

Mr. SUMMERS of Washington. I mean now, especially, after all these years have passed.

Mr. SNELL. And you can not change the location of the power house by investigation.

Mr. WOOD. I wish to say to the gentleman that I am very glad that he raised the question of investigation, because I have prepared a brief on the subject of the power of Congress to make investigations, which reads as follows:

Are the investigations by the Senate of the validity of the oil leases known as the Teapot Dome and other leases and other investigations of like nature warranted by the law? Has the Senate power under the Constitution to conduct such investigation involving the compulsory attendance of witnesses and the expenditure of public money? Under the Constitution the powers of government are apportioned among the three great departments, executive, legislative and judicial, each independent and supreme in its sphere. Each of these departments rightfully exercises only such power as is delegated to it by the Constitution, and by the tenth amendment the powers not delegated to the United States by the Constitution nor prohibited to the States are reserved to the States, respectively, or to the people. These are but trite assertions, yet it seems sometimes forgotten or brushed aside.

Briefly what is the subject matter of these investigations? It is that it is alleged that certain leases of oil lands have been corruptly and unlawfully obtained from the United States. If such is the fact what is the remedy? Plainly, the recovery of the lands and the punishment of anyone who may have been guilty of a criminal offense. To obtain these ends under what department of the Government must action be taken? Plainly, the judicial department. Plainly, the Senate can take no action. It might advise the Executive or the judicial departments what action to take, but its advice would be wholly gratuitous, there being no constitutional warrant for it. It follows, then, that its investigation and taking of evidence comes to nothing. It can lawfully conduct such an investigation only when it is warranted by virtue of the Constitution in taking some action. In those cases where it has power to investigate, it may compel the attendance of witnesses and necessarily it may punish a recalcitrant witness for contempt. What then are the cases in which it may so act. In *Interstate Commerce v. Brinson*, 154 United States, 447, at page 485 the court said:

"Except in the particular instances enumerated in the Constitution, and considered in *Anderson v. Dunn*, 6 Wheaton, 204, and in *Kilbourn v. Thompson*, 103 United States 168, 190, of the exercise by either House of Congress of its right to punish disorderly behavior upon the part of its Members, and to compel the attendance of witnesses, and the production of papers in election and impeachment cases, and in cases that may involve the existence of those bodies, the power to impose fine or imprisonment in order to compel the performance of a legal duty imposed by the United States, can only be exerted, under the law of the land, by a competent judicial tribunal having jurisdiction in the premises."

It may expel one of its own Members for cause, and hence has power to investigate the conduct of such Members. In *re Chapman*, 166 United States, 661. But when it seeks to investigate a matter in which the Constitution has not given it power to act it is wholly without authority. This is settled in the case of *Kilbourn v. Thompson*, 103 United States, 168. In this case the United States was a creditor of a bankrupt concern. It was alleged in a House resolution that the assets of the debtor had been dissipated by a settlement made with a real-estate pool. *Kilbourn* was subpoenaed as a witness to testify in regard to this pool and refused to answer. He was committed to jail for contempt and brought action against the Sergeant at Arms of the House for false imprisonment. It was held he could recover, as the investigation was without the power of the House.

On pages 192 and 193 the court said:

"In looking to the preamble and resolution under which the committee acted, before which *Kilbourn* refused to testify, we are of the opinion that the House of Representatives not only exceeded the limit of its own authority but assumed a power which could only be properly exercised by another branch of the Government, because it was in its nature clearly judicial."

"The Constitution declares that the judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as the Congress may from time to time ordain and establish. If what we have said of the division of the powers of the Government among the three departments be sound, this is equivalent to a declaration that no judicial power is vested in the Congress or either branch of it save in the cases specifically enumerated to which we have referred. If the investigation which the committee was directed to make was judicial in its character, and could only be properly and successfully made by a court of justice, and if it related to a matter wherein relief or redress

could be had only by a judicial proceeding, we do not, after what has been said, deem it necessary to discuss the proposition that the power attempted to be exercised was one confided by the Constitution to the judicial and not to the legislative department of the Government. We think it equally clear that the power asserted is judicial and not legislative.

"The preamble to the resolution recites that the Government of the United States is a creditor of Jay Cooke & Co., then in bankruptcy in the District Court of the United States for the Eastern District of Pennsylvania.

"If the United States is a creditor of any citizen, or of anyone else on whom process can be served, the usual, the only legal, mode of enforcing payment is by a resort to a court of justice. For this purpose, among others, Congress has created courts of the United States, and officers have been appointed to prosecute the pleas of the Government in these courts."

And again, on pages 194 and 195, the court said:

"The resolution adopted as a sequence of this preamble contains no hint of any intention of final action by Congress on the subject. In all the argument of the case no suggestion has been made of what the House of Representatives or the Congress could have done in the way of remedying the wrong or securing the creditors of Jay Cooke & Co., or even the United States. Was it to be simply a fruitless investigation into the personal affairs of individuals? If so, the House of Representatives had no power or authority in the matter more than any other equal number of gentlemen interested for the Government of their country. By 'fruitless' we mean that it could result in no valid legislation on the subject to which the inquiry referred."

At the end of this investigation the whole matter must be referred to the courts. In the language of the Supreme Court no suggestion has been made of what the Senate can do in the way of remedying the alleged wrong. Is it simply a "fruitless investigation into the personal affairs of individuals"? If the Constitution of the United States is still the supreme law of the land and if the Supreme Court of the United States is still the supreme arbiter of the Constitution these investigations, no matter by what laudable purpose they may be prosecuted, in a legal, lawful, and constitutional sense constitute a usurpation of power not possessed and are contrary to the law of the land.

I think it is pretty nearly time that we were rising to the importance of paying some attention to the law and not permitting ourselves to go wild with reference to these investigations that are not warranted by the law.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. McLAUGHLIN of Michigan. Did the gentleman's committee learn that there is any serious opposition to the Government hotels except by the real estate people in the city of Washington?

Mr. WOOD. This is the situation as it exists now: In my opinion there is great necessity for the continuation of these hotels. Those who are occupying the hotels, or many of them, I think, might, if they so desired, get their rooms and board more cheaply to-day outside of the hotels.

Mr. McLAUGHLIN of Michigan. I am not sure the gentleman is correct about that.

Mr. WOOD. My information comes from those who have lived in the hotels and who have gone out. That is my authority for making this assertion. However, this is what attracts them to the hotels and it is commendable: They have conditions there that they can not get in places where they can get cheaper board. They have the association there that they can not get elsewhere because of the fact that they are thrown together. They have the advantages of heat and water and electric lights throughout the year without expense, also dispensary service, some of which they might have to pay for in other places. But there is necessity for the continuance of the Government hotels. I think it would be most regrettable if by some catastrophe those buildings should be wiped out over night and the 1,300 girls—there used to be 1,800—were forced to find quarters elsewhere.

Mr. McLAUGHLIN of Michigan. I am pleased to hear the gentleman express himself to the effect that those buildings ought to be continued. I am not at all in sympathy with the attacks that have been made on this Congress for continuing those buildings—attacks made by the real estate people in the city of Washington—those who would like to have the buildings destroyed so that it would be necessary for those who are now occupying them to find rooms and accommodations, if they could reasonably be found in other parts of the city.

Mr. LARSEN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. LARSEN of Georgia. I am thoroughly in sympathy with the remarks made by the gentleman from Indiana, and I would like to have some information if the gentleman can give it to me with reference to the cost of operation so far as those buildings are concerned. I am speaking now particularly of the women who are intrusted to the operation of the buildings.

Mr. WOOD. In what particular?

Mr. LARSEN of Georgia. In the capacity of superintendents, or whatever they call those officials who are in charge of those hotels.

Mr. WOOD. The overhead has been greatly reduced. By reason of the fact that they have closed two of the buildings and have closed one of the dining rooms, it is hoped and believed by those who are in charge that the operating expenses will be reduced \$2,800 a month.

They have also reduced the pay of those who are occupying the more important places, and they have reduced the number so that there will be a decrease in so far as that item in this bill is concerned of about \$100,000 a year.

Mr. LARSEN of Georgia. Maybe the gentleman can name the particular officer, but I understand the superintendent in charge is being paid \$5,000 per annum.

Mr. WOOD. There is only one, and that is the lady superintendent in charge. If the gentleman will take the time and look at the hearings he will find a list of the higher salaries that are paid.

Mr. LARSEN of Georgia. Does the gentleman know what this lady was paid in the capacity which she filled before she went to this particular employment?

Mr. WOOD. I do not know anything about it.

Mr. LARSEN of Georgia. My information is she was paid something like \$2,500, but when she came to this employment she was jumped to \$5,000. I do not know whether she is worth it or not. I am inclined, however, to believe that the position does not warrant that amount of salary. Now I am not criticising the gentleman, do not understand that, but I am trying to get some information, and I would like the gentleman to give me some idea as to her proposed salary in the future. Has her salary been reduced?

Mr. WOOD. As far as her salary is concerned it has not been reduced, but I wish to say to the gentleman that from the experience I have had with her and the observations made on her several appearances before our committee I think she is a remarkable woman. I felt it was a very great mistake to place a woman at the head of a concern of that sort. I thought it would be far better to have a man with experience in conducting a hotel, something comparable with the number of people who were maintained in this hotel, but the ladies insisted it was a woman's affair, and they ought to have a woman at the head of it, and they got this lady and she is doing remarkably well.

Mr. LARSEN of Georgia. I understand that, but several young ladies residing in the hotel have told me she is not worth that amount, and requested that I should bring the matter to the attention of the House, and that is why I am doing it. Has the gentleman heard complaints on that point? I have no definite information.

Mr. WOOD. I think it would be a great mistake to remove her. I will say to the gentleman in reference to complaints I have heard some of these complaints were carried to the Secretary, and Assistant Secretary Henning made an investigation in which he commended this woman very highly. You could not get 1,500 women in an institution of that character except you would find a small percentage of them complaining against the management.

Mr. LARSEN of Georgia. I understand, I do not know, that she has been a good deal of the time riding about the city in a car and not looking after the business, and that she was not worth the amount being paid. Maybe the gentleman may be advised on that point.

Mr. WOOD. I have no information on that point. If she is conducting this work well and keeping this thing within bounds, she is giving valuable services to the United States Government.

Next the committee adopted the figures fixed by the Budget for the Interstate Commerce Commission. We are asking that the salaries of three or four men occupying extraordinarily responsible positions with the commission be fixed at the figures obtaining heretofore in this department, and which have been paid to them for many years. Under the classification act the maximum salary is \$7,500, unless a higher rate is specifically authorized by law.

There are three or four men occupying especially responsible positions under the interstate commerce act who are receiving an amount in excess of that figure. I think it would be a mis-

take to discharge them, and they of necessity would leave their places if they could not get the amount of money they are now receiving. In no case is it in excess of \$10,000, and in the case of most of them not in excess of \$9,000.

Your committee adopted the recommendations of the Budget with reference to the National Advisory Committee on Aeronautics. I wish to say, in passing, that to my mind this committee is doing a wonderful service for the United States. We are the only country in the world that has an organization of this character devoting their time and experience to this work. If there is an activity in this country that is doing a remarkable service for the Government and for the future development of aeronautics, it is this National Advisory Committee on Aeronautics. It is composed of scientific men from all over the country, who are serving without pay from the Government, and it is the only organization of its kind in the world. They are constantly demonstrating the weaknesses occurring in the flying machine, and they are providing remedies that are proving not only marvelous with reference to efficiency but likewise with reference to safety. I wish to cite one illustration. This man MacReady, who accomplished the feat of leaving New York after lunch on one day, and taking lunch the next day in San Diego, discovered that every time he made a certain maneuver the top of his machine would be ripped off. He submitted it to this body and they remedied the difficulty. On two or three occasions if it had not been for the expert ability of this man in controlling the machine it would have resulted in his death.

They have also invented a device by which they can get the absolute force of the air in its different currents upon any part of the machine through a vacuum they have made, so that they can gauge the pressure coming, as it must inevitably come, when the machine is flying through the air. It is a marvelous machine and almost uncanny to look upon. I do not think anyone would have wondered at our recommending this appropriation had he heard those gentlemen.

When this commission was first created it was looked upon dubiously not only by the Navy but by the Army, who were conducting experimentations of their own. Now both the Army and Navy, whenever they have any question to determine or any experimentation to be made submit it to this commission, having perfect faith in their ability to do things.

I wish to call your attention to the appropriation we have made for the Perry Victory Memorial. This appropriation has been sought before, but was denied by your committee because we were not convinced that the United States Government should make this appropriation. The Perry memorial was built in commemoration of the great naval victory achieved upon Lake Erie by Commodore Perry. It is the only naval battle that was ever fought on fresh water. That victory was not only decisively won in favor of the United States but it opened the whole Northwest to the settlement of the white man. What its consequences have been are now just beginning to be fully realized.

No one has ever had a word of criticism to offer with reference to the building of that monument for the object and purpose it was intended to commemorate. It was built originally by a number of States, some 15 or 20, together with an appropriation of \$250,000 made out of the Treasury of the United States. Directly after its completion the title to it was given to the United States, with the express understanding that it would not result in any cost to the United States. They charge an admission fee of 25 cents to go up on the inside.

As a result a fund of about \$8,000 or \$10,000 is accumulated annually which defrays the actual running expenses of the concern. But they were unfortunate in building it where they did. Those gentlemen are not to blame for that. If anyone is to blame for it, it is a body in this city that is entitled to more censure than any organization I know of, and that is the Fine Arts Commission. The Fine Arts Commission located this monument in a swamp, and when the storms come and when the waves dash against the wall the wall is beaten down and the area within is inundated. They did not have funds enough derived from the admission fee charged for making these repairs. In consequence, they are coming to the Government and asking for this appropriation of \$99,185 for the purpose of building a permanent breakwater or sea wall, as should have been done in the first instance, with an agreement that if this appropriation is made, after the accumulation of a surplus fund of \$20,000 all the moneys arising thereafter will be paid back to the United States until we have been fully compensated for the appropriation proposed.

Mr. SEARS of Florida. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. SEARS of Florida. Who gets the 25 cents that is paid to go into this monument?

Mr. WOOD. The commission which has charge of its operation.

Mr. SEARS of Florida. A private commission?

Mr. WOOD. No; it is not a private commission. It is a public commission. It was created by the various States that contributed to the building of the monument and the commission is composed of representatives from those States, and the members of the commission elect the officers. The only salaried officer in the whole business, as I understand, is the secretary. Of course, they have some men employed, the man who runs the elevator and those who work around the grounds, and they are paid out of this fund which is obtained by charging admission to the monument.

Mr. SEARS of Florida. Do the guides get the 25 cents or a percentage?

Mr. WOOD. They do not get anything out of it.

Mr. SEARS of Florida. But they do not work for nothing, do they?

Mr. WOOD. There are no guides about it, and if the gentleman understood there were guides he misunderstood me. They have an elevator and the man who runs the elevator is paid something.

Mr. THATCHER. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. THATCHER. What is the fund from which the repayment will be made to the United States if this appropriation is granted? As I understand, the operating expenses just about consume the gross receipts.

Mr. WOOD. No; the operating expenses amount to something like \$6,000 a year, and the receipts last year were \$10,000, so that they expect to have a surplus of about \$3,000 or \$4,000 a year.

Mr. THATCHER. And out of that surplus they expect to repay this appropriation if made?

Mr. WOOD. Yes; that is what they hope to do.

Mr. THATCHER. If this appropriation is made is it expected it will satisfy all future requirements?

Mr. WOOD. They promised us that they would never ask the United States for another cent, but nobody can tell whether there will be another request or not.

Mr. THATCHER. They have satisfied the subcommittee that this amount would be sufficient to meet the needed repairs for a long time to come?

Mr. WOOD. Yes. They have submitted an itemization of the various items of expense, and I suspect they are correct. The president of the concern appeared before our committee and we were very much impressed with the figures he gave us and are convinced that the improvements can be made within the figures submitted.

I now come to the Smithsonian Institution. The Smithsonian Institution is one of the instances in which we made an appropriation beyond that recommended by the Budget. The Smithsonian Institution, as you know, gets out a report, and they are two years behind with that report. Then there is an activity within the Smithsonian Institution which gets out a volume upon American history, which is a very valuable thing, and in order that they might bring that up to date and be current we appropriated the sum of \$20,000 in addition to that originally recommended by the Budget.

Now, I wish to call attention to the Shipping Board. Your committee was in entire agreement with reference to the appropriation made for the Shipping Board. The business of the Shipping Board—which is being conducted by the United States and must be conducted by the United States until some arrangement is made to have it taken over by somebody else—is the largest business in the world. There is nothing comparable with it. And here is the trouble when we are making appropriations with reference to the Shipping Board and for its activities: We are too apt to compare it with some purely governmental activity, a thing which should not be done.

The Government is in this business and is a competitor, if you please, with others engaged in like business. I do not know how many shipping lines there are in the world, but they are numerous, and there is closer competition, I suspect, to-day in the shipping business than in any other business in the world. They tell me there is no trans-Atlantic or trans-Pacific shipping line but what is being conducted at a loss, and the problem of those engaged in it is to reduce the loss to a minimum.

The loss of the American Shipping Board heretofore has been approximately \$50,000,000 a year, and we have been making an appropriation to cover that loss in order to keep our ships upon the sea until such time as some provision

might be made whereby it could be taken over by private individuals or private corporations. Up to this time we have not found the way. There are divergent ideas and plans as to how best to do that thing, but until it is done or until we abandon the entire scheme and acknowledge failure, so far as a merchant marine is concerned, this thing will be upon the hands of the United States and operated at a loss.

I am glad that the loss estimated for the ensuing year for which this appropriation is made has been reduced or the estimate reduced many millions of dollars. Last year it was more than \$45,000,000, and it is estimated that this year we can get along with \$36,000,000. The amount will be reduced by reason of the reduction in the overhead expenses and through the discharge, if you please, of more than 4,000 men. I met a man in my office the other day who came back from Africa, where he had been engaged by the United States Shipping Board as an auditor. So the reduction has been going on all along the line.

It is proposed to reduce not the number of routes but the number of vessels engaged upon those routes, so that the overhead expense is reduced and the number of ships employed in the conduct of the business is reduced.

Mr. BYRNS of Tennessee. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. BYRNS of Tennessee. I understood the gentleman to say that the loss will amount to about \$3,000,000 a month next year?

Mr. WOOD. Yes.

Mr. BYRNS of Tennessee. Does that loss arise either in whole or in part on account of the operations or does it arise through the expense of the Shipping Board and the Fleet Corporation in taking care of ships that are not in operation and not on the high seas?

Mr. WOOD. Approximately \$6,000,000 of it occurs by reason of the ships that we have tied up and the cost of liquidation. It is more expensive to maintain a ship that is tied up, in some instances, than it is to run it.

Mr. BYRNS of Tennessee. Will the gentleman say that the loss by reason of operation will amount to as much as \$30,000,000?

Mr. WOOD. It is estimated that it can be kept within that if the plan which has been adopted for the conduct of the business in the present year is carried out. Here is one of the great troubles in the operation of ships or, at least, of our ships: Shipping lines, like railroad lines, get their trade by reason of encouragement to patrons. It has been a problem and has been a question as to how long the American Shipping Board and the American Fleet Corporation would operate. The great European shipping lines have operating contracts with every trunk line in the United States whereby they get the benefit of the trade of those trunk lines, but the United States Shipping Board has never had the advantage of a single dollar from such an arrangement, and heretofore they have been unable to make any such arrangement because of the uncertainty of the existence of the Shipping Board and the Emergency Fleet Corporation.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. LA GUARDIA. What the gentleman said about the necessity of competing with great steamship companies is very true, and I take it we have on the Shipping Board the best men that are available for the salary of \$12,000 which we are paying them. As a matter of fact, does the gentleman agree that if we got the right kind of men and paid them a salary commensurate with the salary of the men they are competing with, we might do better?

Mr. WOOD. I will speak of that in just a moment. I wish in passing though to speak of some of the things that we have to contend with. I say "we" because we are all interested in this matter.

There is every character of slander uttered against American shipping. I heard a story some time ago which is not only very amusing but is typical of the things that are being said and done by those who are conducting opposition shipping lines. It was told that the *Leviathan* was absolutely unsafe for a person to go upon because it was infested with rats and if you went on that ship you were liable to be bitten by a rat. This was published in the papers throughout the United States and all over continental Europe. In order to absolutely prove the absurdity of that statement, the man in charge of the management of that boat advertised for some one to come and kill the rats. There was one man who took the contract and he supposed he was going to make a fortune. He employed a number of men and invested a lot of money in all sorts of con-

trivances for the purpose of catching rats and killing them. He brought his forces down to the ship and worked for three days upon a contract which he had entered into with the management at 25 cents for each rat killed, and at the end of three days found he had killed three rats.

Mr. LA GUARDIA. Was not one of the fundamental errors committed by the Shipping Board that in equipping and fitting out the *Leviathan* they went to one of their principal competitors and got the men from their competitor and turned over the *Leviathan* entirely to them, with the result that they lost the two most profitable trips during the year in the month of July, and shortly after she was in commission she was laid up again? Has the gentleman gone into that matter, and can the gentleman tell us why the Shipping Board went to the White Star Line to employ the Gibbs Bros. and turned over the *Leviathan* entirely to them?

Mr. WOOD. I do not know why they did that, but if you care to read the hearings with reference to the operation of these ships you will find them very interesting. There is a table in the hearings giving the name and the line over which each one of these ships operated, including the *Leviathan*, and the cost of operation and the losses incurred. The *Leviathan* on the first two or three trips she made showed a very large profit.

Mr. BYRNS of Tennessee. Will the gentleman give us briefly an explanation of the contracts made by the Shipping Board in its operations? As I recall, they used to have these M. O. 4 contracts which the gentleman remembers were made under a former administration of the Shipping Board, and were complained of by Mr. Lasker when he came in, but which I notice he continued for a year or two. Have they abandoned those contracts?

Mr. WOOD. No; they have not abandoned them. That is one of the things they have under consideration, as the hearings will disclose.

Mr. BYRNS of Tennessee. I recall that I never heard a more emphatic criticism made by anyone than Mr. Lasker made of the M. O. 4 contracts when he assumed charge of the Shipping Board, and I recall his promise to the committee that within a year he was going to abandon them, and I am very much surprised to learn that after three or four years we are still operating under that kind of contract.

Mr. WOOD. The gentleman from Tennessee will remember that Mr. Lasker made several statements and that was among the things he said the first time he appeared before the committee, and after he had had about six months' experience he had cause to change his opinions with reference to a great many things.

With reference to these M. O. 4 contracts, there are two sides to that question, and there is a division of opinion among the gentlemen who now have control of the operations of the Emergency Fleet Corporation and the Shipping Board. The M. O. 4 contract, as you understand, provides for the operation of these ships by some one who is willing to undertake their operation with the understanding that he is to have a certain per cent upon the gross business, not upon the net business, and at first blush it would seem that that gentleman could not lose. Some of them are contending that they have operated at a loss. They have considerable expenses to incur themselves. They have to have offices established wherever they expect to get their trade. They have a number of agents employed soliciting trade. They have to pay, if you please, for all of the advertising and they have to pay for many of the incidentals, so that it is not a matter entirely of profits with them, and in many instances, by reason of the fact that the return cargo is so light this will result in a loss. And here is one of the other great reasons why we are operating at a loss. We get from 50 to 90 per cent of a cargo load during the active season of the year in going across to the other side, but we come back practically empty or with only about a 12 per cent cargo. That is due, if you please, to the preference that is given by every foreign nation that has a foreign shipping line of its own or one owned by its individuals. They have preferentials and they have differentials and they do everything they can in the way of encouraging the shipment of their goods in their own bottoms. That is one of the great reasons for the losses in our shipping, due largely, perhaps, to the fact that we have been shipping in foreign bottoms so long that it takes some considerable length of time for us to realize the necessity, if we are going to build up an American merchant marine, of being selfish enough to ship in our own bottoms and encourage shipments in our own bottoms, just as they do in foreign countries.

Mr. BLACK of New York. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. BLACK of New York. I am wondering if the committee would have any violent objection to reinstating in the bill the provision of the present act requiring the Shipping Board, when about to repair or recondition a ship, where the amount is over \$100,000, to submit their plans to the navy yards for an estimate?

Mr. WOOD. I wish the gentleman would read the hearings upon that proposition. That item was put in last year or the year before because of the controversy that arose with reference to the improvement of the *Leviathan*. There are concrete examples since that time that they have been doing the very things that the gentleman suggests.

Mr. BLACK of New York. May I ask the gentleman this question: Did you hear the navy yards on this particular proposition?

Mr. WOOD. No; we did not.

Mr. BLACK of New York. Of course, it has been an ex parte proposition, and all you have heard is the Shipping Board as to their relations with the navy yards.

Mr. WOOD. Yes.

Mr. BLACK of New York. You have not heard, for instance, that the Shipping Board, when work was submitted to the navy yard—and I am speaking now of the New York Navy Yard—has required the navy yard to do additional work to that which was set forth in the original plans.

Mr. WOOD. Here is the trouble about it: If it was possible for the work to be done to the advantage of the Shipping Board, I would like to see it done. We would all like to see it done in the navy yard, but it is impracticable.

Mr. BLACK of New York. The provision does not require the work to be done by the navy yard, but only to get an estimate of the first cost by the navy yard.

Mr. WOOD. Here is what happened: They have resorted to it on two or three occasions. They got an estimate for the improvement of one ship from the navy yard which was to sail at a certain time. I think the estimate was \$300,000 for improvements. They did not have the ship done within the time and it missed its sailing, from which it would have received a very valuable return. In addition to that, it cost \$100,000 more than the estimate.

The trouble is that if an estimate is made by an independent yard—by a private concern—they have to give a bond to carry it out and make the repairs within a certain time. When the estimate is made by the navy yard, all you have is the assurance or promise to do it within the time. There is nothing to compel them to do it within that figure or within that time.

Mr. BLACK of New York. What objection can the gentleman have to asking the navy yard to submit an estimate if it does not require the work to be done there?

Mr. WOOD. I do not know that there is any objection, but there is no use of putting a useless provision in the bill.

Mr. BLACK of New York. I do not think it is a useless provision. The hearings disclose that private yards entered into combinations when the Government did not get the estimate from the navy yard.

Mr. BLAND. That was on the Pacific coast, was it not?

Mr. WOOD. Yes.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. WOOD. I will yield to the gentleman.

Mr. LaGUARDIA. After a good deal of controversy the *Leviathan* was sent to a private shipyard, and it had to make a trial trip, and after that it was shown that the steam boilers were defective, and she had to be sent to the dry dock again. That was a case where the private shipyard did the work.

Mr. BLAND. Is it not a fact that the trial trip was called for and was advertised by the Shipping Board and was conducted by the Shipping Board, and that the private yards had nothing to do with it?

Mr. LaGUARDIA. I made inquiries at the time, and the Shipping Board told me that the private yard was paying for it and insisted on it.

Mr. TAGUE. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. TAGUE. The gentleman will recall that the real reason for putting in this clause was the reconditioning of the *Leviathan*.

Mr. WOOD. Yes.

Mr. TAGUE. Does the gentleman know what the cost of reconditioning the *Leviathan* was?

Mr. WOOD. In the neighborhood of \$8,000,000.

Mr. TAGUE. Does the gentleman recall the price submitted by the navy yard?

Mr. WOOD. No.

Mr. TAGUE. Let me refresh the recollection of the gentleman from Indiana. I do not want to take up his time, but this is very important at this time. Four years ago the question of reconditioning the *Leviathan* came up. The Boston Navy Yard had offered to recondition the *Leviathan* for less than \$6,000,000 at that time. When the reconditioning came up two years ago a controversy arose, and Mr. Lasker refused permission to the navy yard in any way to bid on that ship. At that time the navy yard had agreed to recondition the *Leviathan* for less than \$6,000,000.

Mr. WOOD. That is possibly true, but here is the trouble. I can see that in a great enterprise of that character it is physically impossible for them to make any estimate that can be absolutely relied upon. I am informed that the gentleman who did recondition the *Leviathan* lost more than \$2,000,000 on it.

Mr. TAGUE. If that is so, the *Leviathan*, as stated by the gentleman from New York, was repaired by a private shipyard, and I have no criticism to make of the private shipyards. It was done under the supervision of the chosen architects of the Shipping Board, who represented that board. She was supposed to have been put in first-class condition and made the trip that has been spoken of. She met with an accident, and was brought back again and repaired after she had been repaired by the private yard. She had to go into the Government-owned dock and was finally put into commission. When she met with the accident she was sent back again to the government-owned dock and just came out of there the other day. An estimate was given as to the cost of her repairs. According to the report of the Shipping Board, the ship was put in first-class condition and repaired in less time than the specifications, and they did find when she was brought into the navy yard that the boilers and tubes were not in the condition supposed to be when repaired by the private shipyard.

Mr. LaGUARDIA. I would like to ask the gentleman if the Gibbs Bros. are now in control of the *Leviathan*?

Mr. WOOD. I understand they are not. I do not know, but it occurs to me that the men who are in charge of these ships, charged with the responsibility of having the information with reference to their improvement and condition, can best decide on the cost, and we had better take their judgment.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. BLAND. Does the gentleman know that in the recent work that was done a large part of it was in the reblading of the turbines, and that that was not included in the original contract of reconditioning? In the original contract of reconditioning it was provided:

This contract is not to include the renewals of bearings, blading, labyrinth or gland packing, or other renewals or repairs to rotors or casings not visible from without the turbines, except that it is understood that rotors, casings, bearings, etc., are to be thoroughly cleaned and adjusted and repairs effected, as may be found necessary, up to but not including renewals.

That is a part of the original contract, and upon opening the turbines they were found to be in satisfactory condition. Does the gentleman know that the original reblading was done by a navy yard?

Mr. WOOD. I do not know anything about these controversies.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. TAGUE. I think that this is very important.

Mr. WOOD. I wish the gentleman would let me proceed.

Mr. TAGUE. But the gentleman is giving the Shipping Board money for reconditioning these ships, and we are attempting to show that the Government would have saved at least \$2,000,000 on one ship alone.

Mr. WOOD. We are not giving the Shipping Board any money in this bill for reconditioning ships.

Mr. TAGUE. The reconditioning of the ships is taken out of the operating expenses of the ship, is it not?

Mr. WOOD. No; the repairs.

Mr. TAGUE. And if it was not taken out of that, the money would go into the Treasury, and then you would be obliged to pay out money for reconditioning. It comes out of the Government either way you put it.

Mr. WOOD. Yes; but there is no appropriation in this bill, and there will be none for reconditioning of ships such as the reconditioning of the *Leviathan*, or any of them.

Mr. TAGUE. But all of the money the gentleman will admit has come out of the Government, inasmuch as the money had to come out of the money received by the operation of the ships.

Mr. WOOD: That is correct.

Mr. TAGUE: So that it does not make any difference which way you appropriate it, the Government must pay the money anyway.

Mr. WOOD: As I say, I do not care to discuss longer this matter, and I say to the gentleman that we must rely upon the men who are charged with the responsibility of operating these ships and this great business to some considerable degree. I appreciate the fact that the gentleman from Massachusetts has a navy yard in his district. There are others throughout the United States, and, all things being equal, I would like to see them accommodated, but for the mere purpose of accommodating those local institutions we can not cripple these other great institutions, and I do not believe the gentleman would want us to do that. If it were not for his own selfish interests in looking after the navy yard, I believe the gentleman would agree with the board that it should not be done there.

Mr. TAGUE: All things being equal, we say give it to the one who can do the job the cheapest. We stand on that. We say that under the reconditioning of this ship, which has been the cause of controversy on this floor for more than six years, the Government lost more than \$2,000,000.

Mr. WOOD: In view of the fact that the one big ship they did give them resulted in a loss to the Government of over \$100,000 because they did not do the work within the time, and in addition the loss they incurred in consequence in not getting the ships completed within the time, which can not be very well estimated, it seems to me there is great proof that you can not depend upon the navy yards.

Mr. TAGUE: But we ought to have the opportunity to tell why that condition arose.

Mr. WOOD: I do not yield any further on this question.

I want now to call attention to what I think is the only controversial point in the bill. Admiral Palmer is entitled to great credit for what he has already done in reducing the expenses of the operation of the Emergency Fleet Corporation and the Shipping Board. On his own motion he reduced the salaries all along the line. He reduced the salaries of those who were receiving \$20,000 to \$18,000 a year. When he appeared before the committee he gave us convincing evidence that it would be a very, very great mistake to reduce these salaries any lower than they are now, and I have before me a statement which I shall read for the benefit of those who are in favor of reducing them still more. Admiral Palmer says:

The responsibilities of the United States Shipping Board Emergency Fleet Corporation are twofold: The preservation and disposition of the merchant fleet belonging to the United States Government, which comprises 1,300 vessels and has a present book value of \$226,000,000; and, secondly, the operation of the vessels owned by the Government and the serving of ports of the United States to all ports of the world.

This preservation entails a knowledge and continual study of methods of preservation, economical organization, and study of world shipping markets. The value of the laid-up fleet is approximately \$86,000,000. Unless an intelligent study is made of the care of this fleet, the value will very rapidly deteriorate, so that a large part of this will be lost to the Government; and at the same time it must be realized that the expenses of saving this capital charge must be kept at a minimum in order to prevent a maintenance charge far exceeding the amount that can be hoped to be recovered. Work has to be done on the ships continually in order to prevent damage from the elements, which is taking place unless such steps are taken.

This fleet is tied up at the following points: Boston; New York (Staten Island, Jones Point, in Hudson River); Philadelphia; Norfolk; Pensacola; Mobile; New Orleans; Orange, Tex.; San Francisco; Seattle and Portland, Oreg.; Olongapo, P. I.; and Hongkong, China.

Conditions at the different ports vary, and by reason of the distance separating these fleets a close-knit organization is necessary to keep in touch with the situation at all times and at all places. The expenses of caring for this fleet will, by the least let-up in supervision, be increased by hundreds of thousands of dollars, and the most experienced and efficient personnel that can be procured is necessary.

The operation of the fleet is so world-wide in its ramifications that a brief description is almost impossible. It entails the determination of routes needed to best develop the American merchant marine, the selection of the ships to best serve those routes, and the character of cargoes to be served by the routes, as well as the selection of the agents to operate and the supervision of the agents so selected. The agents include not only those in the United States but also in Europe, the Near East, Africa, South America, the Orient (including Japan, China, the Philippines, Australia, and other countries).

There are six passenger steamers run directly by the Fleet Corporation which serve the United Kingdom and the Continent. Those ships are: *Leviathan*, *George Washington*, *America*, *President Roosevelt*,

President Harding, and *Republic*. The value of these ships is \$19,400,000. The gross income from the United States Lines for 1923 was \$12,200,000; and it is estimated that the gross revenue for the present fiscal year will exceed the figure for 1923.

There is also maintained a passenger service, through agents, from New York to the east coast of South America, from San Francisco to Hawaii and the Orient, and from Seattle to the Orient, by the short route. The number of ships serving these routes is 14, with a value of approximately \$21,000,000. The balance of the fleet is cargo ships running from or touching at practically every port in the United States to all ports of the world and comprising 337 vessels of 3,023,488 dead-weight tonnage. The operation of these ships entails not only the securing of freight both here and abroad, but also involves extensive financial transactions in foreign countries, entailing rates of exchange and a knowledge of foreign financial methods.

The total voyage operating expense for 1923 amounted to \$105,500,000; and the total operating expense for 1923 was \$140,000,000. The cost of repairs for 1923 amounted to \$15,000,000. The gross revenue for 1923 was \$96,000,000.

The loss per voyage in the past has varied, depending upon the length and character of the same, from ten to thirty thousand dollars. Unless the most experienced and highest class personnel can be secured and retained, this loss can very easily increase to an astonishing amount. With such personnel, it is hoped and believed that the losses can be very materially reduced.

The operation of this business calls for, not counting the personnel actually engaged on shipboard or employed by the agents, 3,880 employees, which consists not only of the technical staffs required for the technical work entailed but also clerical personnel and accounting, to make sure that all receipts are properly accounted for and payments made in accordance with the law and regulations.

The Fleet Corporation at present has six officials who are paid \$18,000 or more, one position being now vacant because of the resignation of Mr. Love. Besides the president, there is an official in charge of operations. He has the full responsibility of supervising the actual operation of all of the ships, with the exceptions of those directly operated by the United States under the name "United States Lines." It is his duty to see that the ships are kept in proper repair, are properly operated from all angles, to determine whether or not ships are properly maintained by the agents, run economically both below deck and above, dispatched at both ends of the voyage promptly, and with a minimum of expense while in port. He has to determine the proper number of crew, proper allowances for the crews, and operating expenses, to supervise and control the stevedore expenses, and the securing of fuel, both coal and oil, are under his supervision.

Another official is in charge of traffic and is responsible for checking and supervising the work of all agents in the procuring of cargoes, the protection of American ports to see that they are properly served in their tonnage demands, to watch all cargo movements to and from the United States, together with the rates of the same, to prevent the creation of any monopoly in favor of foreign shipping, and to allocate proper ships among the agents to secure the most economical and at the same time best service for the American shipper. He has to supervise the action of all agents who are members of the different conferences which regulate the rates, and determine whether or not the Fleet Corporation shall become a party to such conferences. On the work of this official depends in great measure the success of the American merchant marine and the amount of profit or loss the operation of the Government fleet entails.

Another official is at the head of the United States Lines and operates the passenger ships from New York to the United Kingdom and Europe above mentioned. This is a business which is in the most highly competitive field in the shipping business at the present time. The problems of successfully operating the ships against this competition are manifold and require the constant attention to all passenger questions, particularly which arise in Europe and Great Britain.

The management of such ships as the *Leviathan*, *George Washington*, and the others mentioned requires a knowledge of the passenger shipping business which is had by very few men in the United States. The field of choice of men available for this position, therefore, is very much restricted. The control and consequent responsibility of the vast amounts of capital involved calls for a man of the highest ability.

Another official is charged with the duty of supervising the organization of the Fleet Corporation, to study the results of the operations from a technical, operative, and traffic point of view, and the financial handling of the funds of the corporation. In other words, he occupies a position which is analogous to that of general manager or assistant to the president. This man also has the supervision of the district offices of the corporation which are maintained in the United States and also in foreign countries, with the exception of those which

are maintained for the passenger service of the United States Lines. He is charged, in collaboration with the official in charge of operations and the official in charge of traffic with the determination of the best form of contracts of all kinds, particularly with respect to the best contract under which the ships are to be operated.

The manifold duties placed upon the president absolutely require that his assistants, who are charged with the duty of digesting the reports from all departments and planning constructive changes, should be men of great experience in the shipping business, not only from the operating and traffic point of view but also from a ship construction point of view in order that the best form of machinery and equipment shall be procured and employed. Experience has shown that the president requires at least two such assistants, one of which has just been described, and the other should assist the president in his constructive planning for new methods of economy and betterment of service.

The general counsel of this corporation acts as general legal adviser to both the Shipping Board and the Fleet Corporation, passing upon contracts, leases, all of the legal questions arising out of interpretation of legal documents and the law. On June 30 there were pending 60 suits in Federal and State courts in which the United States of America or the Fleet Corporation was plaintiff, the total amount involved in these suits being approximately \$30,000,000. Sixteen suits have since been instituted, involving a total of \$6,500,000. Ten suits have been settled, leaving on the 1st of January 66 suits. There were pending on January 1, 1924, 266 suits, in which the Fleet Corporation was either named as defendant or obligated to defend involving \$58,000,000. There were 117 claims in bankruptcy and receivership aggregating \$56,000,000.

In the Court of Claims there were 56 claims, aggregating \$310,000,000. While the actual trial of the last claims is in the hands of the Department of Justice, the proper preparation of them falls upon the general counsel. There were pending in the Washington office over 1,200 claims of an admiralty nature, totaling approximately \$33,000,000. In the New York office there were pending approximately 1,200 claims, totaling approximately \$25,000,000.

The operation of the fleet is not comparable to any other business of its kind in the world, because it is operating a larger fleet than any other company from a far larger number of home ports to a far greater number of foreign ports. Besides all this there is the care, maintenance, and disposition of the laid-up fleet and the handling of other liquidation problems which no other company has. The officials engaged in this work are required to meet on a parity not only the leading business men and shipping men of this country but also those from foreign countries. The business of the corporation is a technical business which requires personnel with a peculiar and particular training, the market for which is not particularly extensive. One of the biggest duties of these officials is to secure personnel who can lower the amount of the operating expenses and increase the amount of the gross revenue, so that instead of showing a loss there will be shown a gain.

For the reasons above given, it is absolutely essential that the president in charge of this business be not too limited in the choice of his assistants, and a radical reduction in the salaries which he could pay such assistants would result in such a limitation.

Your committee has recommended that there be one \$25,000 man, two \$20,000 men, and four \$18,000 men, which is a reduction of five of the high-priced positions. I am sure if gentlemen were conducting a business like this, which is competing with the greatest competitors in the world, they would want somebody at the head of this department who is capable of meeting the competition. The only man receiving \$20,000 to-day is the general counsel, who has charge of all the litigation to which I have called attention. Instead of hamstringing and crippling the attempts of Admiral Palmer to bring the greatest possible efficiency out of this at the least possible cost, we ought to encourage him, and there should be no question about his being given these exceptionally high-priced men.

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. McDUFFIE. I thoroughly agree with the gentleman. From what I have learned about the activities of Admiral Palmer I think the country is very fortunate in having secured his services. Did I understand the gentleman to say that it is Admiral Palmer who effected these economies in the reduction of personnel and the changes in salaries, and so forth?

Mr. WOOD. Yes. Of course he had the cooperation of those others in doing this, but he was the man who took the lead and is entitled to the credit.

Mr. McDUFFIE. I hope the gentleman will not think that I am trying to delay him—no one is more anxious to assist the Shipping Board in their efforts for a merchant marine than

I am—but I want to get some information along this line. The gentleman will remember that during the last Congress it was developed that there were several bureaus being maintained by the Shipping Board and that bureaus for the same activities were being maintained by the Emergency Fleet Corporation. I am wondering if that is the case now. There was some criticism along this line and I was glad to learn certain changes had been made and so many economies have been effected.

Mr. WOOD. I will say it has been very considerably reduced. Here is the situation. These two activities are so intermingled it is pretty hard to try to differentiate between them. Now as a matter of fact a very great portion of those who are employed by the Shipping Board are paid out of the appropriation to the Emergency Fleet Corporation and as a sample of the reduction along the line the gentleman has suggested they have one general counsel now who has charge of all the litigation both of the Emergency Fleet Corporation and the Shipping Board, Mr. Parker, a brother of former Representative Parker.

Mr. McDUFFIE. What is the function of the Shipping Board? There was some contract entered into, some division of responsibility down there between the Shipping Board and the Emergency Fleet Corporation?

Mr. WOOD. The Fleet Corporation, as I understand, has the actual operation of all the shipping lines. However, the supervision is one of the troubles that confuses people, and it grows out of this thing. To show you how I became a victim of it I spoke to Admiral Benson and the chairman of the board, Mr. O'Connor, the other day in relation to a provision in this bill providing for a certain amount of reconditioning and I asked if they had conferred with Admiral Palmer, who at that time happened to be out of town. They said they had not.

I said that I would like to know what Admiral Palmer said, that I understood he was boss of this thing. They told me that he had nothing to do with the operation of the reconditioning of ships, that that was the business of the board; so there you are.

Mr. CLEARY. If the gentleman will permit, the gentleman has gained a wonderful knowledge in these involved things, as I can see from what the gentleman has said. Does not the gentleman think it would be better for this Government to dispose entirely of all these ships and let private operation and business take them, who are familiar with the business and are bound to make a success instead of the Government going into this thing.

Mr. WOOD. Absolutely.

Mr. CLEARY. Previous to the war we had nothing of the kind, and now the war is over why does the Government undertake to do something that can not be done successfully; why not leave it to private enterprise?

Mr. WOOD. The Government has been trying in every way possible to get out of it. Here is the great difficulty: When the war was over we were left with an overwhelming ship tonnage. The great shipping lines, both corporate and private, simply held down the tonnage of shipping, so that it the reason why they depreciated in value so it is hard indeed to do anything. Now they have advertised in the papers of the United States to sell everything from the *Leviathan* down to a tugboat, but they do not get bids on them. They sold some vessels some time ago and the cry went up all over this country because they sold a number of vessels which were losing \$25,000 or \$30,000 on every trip to the Dollar Line. You have heard all sorts of criticism about that.

Mr. CLEARY. And at Peekskill and other places there are something like 200 steel vessels lying idle and have been for years.

Mr. WOOD. Thirteen hundred altogether.

Mr. CLEARY. Of course, these vessels are all small. You can not operate a 5,000-ton vessel in opposition to the Luckenbach Line with 12,000 to 15,000 ton vessels running long trips. It is impossible. Those vessels were built for an emergency during the war, and which the Government ought to sell as junk and get out of a losing operation.

Mr. SHALENBARGER. Will the gentleman yield?

Mr. WOOD. I will.

Mr. SHALENBARGER. I gathered from the remarks of the gentleman that even he can not really differentiate between the authority of these two boards and that such differentiation is more or less complicated. Has the matter been taken into consideration of abolishing one corporation and putting the entire authority or control in one organization?

Mr. WOOD. Yes; I will tell the gentleman the reason why that can not be done. At first blush I thought that probably the two ought to be consolidated and operated under one head

and that it might be more economically done. Here is the trouble: The United States Government could not operate one of these vessels and get anybody to do business with it for the reason that the Government can not be sued; could not get anybody under a contract; and that was the necessity in the first instance for the creation of the Fleet Corporation. The lines of differentiation are so intermingled that both have to operate together.

Mr. SHALEBERGER. One other question. The gentleman speaks of the tremendous salaries certain men receive in comparison with other Government officials. Does not the gentleman think we could dispense with some of these officials entirely and operate at no loss by relieving the Government of paying these large salaries?

Mr. WOOD. Suppose you take the man away to-day who is in charge of the traffic down there. He is supposed to be in touch with that business, and he is paid this salary for that purpose. You can not find a man that you can get for the same salary in this country to-day. You take the men occupying similar positions with reference to the great shipping concerns of the world and without a single exception they are receiving greater compensation than the men who are occupying places with the Fleet Corporation.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. TREADWAY. In view of the inquiries that have been made as regards the relations between the Shipping Board and the Emergency Fleet Corporation, if I may be allowed to supplement what the chairman has said, I may say that this very inquiry came to me a week or 10 days ago, and I took the pains to look the matter up; and I find that the law provides that the Emergency Fleet Corporation is a corporation incorporated with a capital of \$50,000,000, all of the stock except qualifying shares owned by the trustees being owned by the Shipping Board. Then the Shipping Board makes up certain regulations governing the Emergency Fleet Corporation, and puts into the hands of the Emergency Fleet Corporation certain duties to be performed. Among them, as the chairman has said, is to manage, maintain, and repair vessels of the United States Shipping Board in its possession, including all the reconditioning, establishing, and operating lines and routes which the board approves and directs, everything in construction work upon these vessels heretofore begun, and to sell ships, lease or rent offices, execute contracts and charters, and so on. Ten different provisions of the duties of the Emergency Fleet Corporation are provided for by the Shipping Board, so that it seems to me that the distinction between the duties of the two boards is very clearly marked, though perhaps not well marked in the minds of the general public. As the chairman has said, the actual management and carrying on of the operations of the boats is in the hands of the Emergency Fleet Corporation.

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. McDUFFIE. And the Shipping Board has only supervising power?

Mr. TREADWAY. Yes. The Shipping Board has only supervising power. I thought that might supplement the information that the chairman has been giving us.

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. McDUFFIE. I want to ask the chairman if the committee made any inquiry as to the difference between the cost of the operation of our vessels and that of those vessels competing with us on the high sea?

Mr. WOOD. Yes.

Mr. McDUFFIE. Does the gentleman believe we can operate as cheaply under our American laws and the seamen's act as those nations that do not operate by virtue of national enactments?

Mr. WOOD. Yes. The hearings disclose the fact that the operating expense under the American Shipping Board is not to any considerable extent greater than the cost of operation of an English vessel, for the reason that we operate with a smaller crew, with a smaller number of men in the various departments in the operation of the ship; so that the difference that we pay in excess salaries is overcome largely by the amount they must pay by reason of their increased number.

Mr. McDUFFIE. That is not my understanding. I thought we had more men on our vessels than they have.

Mr. BANKHEAD. Mr. Chairman, may I interrupt the gentleman briefly?

Mr. WOOD. Yes.

Mr. BANKHEAD. I understood the chairman of the committee to say it would be impossible for the Government to engage in direct operation of the vessels. The fact is that the Government is now in direct operation of a number of these vessels under the style of the United States Shipping Line, and those are the only boats that are now making any money.

Mr. WOOD. Some ask, Why does not the Government take the whole thing over? The corporation, after all, is responsible for the contracts, and it is the body to which the public looks, and it is the body that can be sued. That is the reason for the creation of it.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. LAGUARDIA. In reference to the statement made by the gentleman as to the seamen's act, is it not true that it has a tendency to better the condition of seamen in the merchant marine of all nations, and that eventually it is a matter that will adjust itself?

Mr. WOOD. That is true. There is no doubt that the seamen on American ships are better fed and better looked after than the seamen of any other nation in the world.

Mr. LAGUARDIA. The British ships have already felt the influence of it?

Mr. WOOD. Yes.

Now, I wish to make a few observations on the Bureau of Efficiency. The gentleman from New York [Mr. STENGLE] informed the committee yesterday that he proposed at the proper time to introduce an amendment to strike out appropriations for the Bureau of Efficiency. Of course, I do not know what actuates the gentleman in taking the position that he occupies. I am quite sure, though, judging from the speech he made, that he is laboring under a misapprehension based upon misinformation. The Efficiency Bureau was created of a necessity that arose in the Civil Service Commission back in 1915 during the administration of President Wilson, so that no one can accuse the Republicans of having created that body. It was created, if my information is correct—and I take it from two or three different sources—by reason of a conflict that arose, and which is sure to arise again if they ever take and put this activity back in the Civil Service Commission; and whether the Bureau of Efficiency is continued or not, the greatest mistake that could be made, so far as the efficiency of the civil service is concerned, and so far as the efficiency of those employed by the United States Government is concerned, will have been consummated by putting this Bureau of Efficiency back there.

In 1915 what was known as the Efficiency Commission was in the Civil Service Commission, and it was supposed to be a part of their duty to provide methods and means for obtaining greater efficiency in the various governmental departments. Conflicts arose very soon between those who were actually conducting the business and those who were in charge of the Civil Service Commission, and the ones who were doing the work found themselves between the devil and the deep blue sea. Those who were in the Civil Service Commission were trying to direct them as to what they should do, and those in charge of the departments that they were working in were trying to direct them as to what they wished them to do. The consequence was that Senator Martin, from the State of Virginia, then the chairman of the Senate Committee on Appropriations, suggested the creation of the Bureau of Efficiency as an independent body. It was enlarged under an appropriation the next year and made an independent office, responsible to the President for its transactions.

Since that time they have neither been bossed by the Civil Service Commission nor have they been bossed by the various departments of the Government. The Bureau of Efficiency was not created for the purpose of saying who should work here or who should work there, but for the purpose of providing methods and means for greater efficiency in the departments. It is true that when it first started upon its business it was not received with an open hand or a whole heart by the various governmental bureaus into which it went to transact its business. But things have changed, until to-day there is not a governmental activity but what desires the Bureau of Efficiency to come and cooperate with it in bringing about better results.

The other day the gentleman from New York said that the Treasury Department has been exempted by this bureau from any kind of efficiency ratings. There never was a greater mistake in the world, because that is the first great department in which it transacted its business, and it was transacting business in that department at the time the bureau was made an independent organization. The Treasury Department, by

reason of the assistance given by this Bureau of Efficiency, is one of the departments which praises, if you please, the work of this bureau. True, there are certain gentlemen who are opposed to it; true, there are those who would destroy it, because, perchance, they are not satisfied with the reclassification they have received. But they are condemning the Bureau of Efficiency without any foundation of fact. The Bureau of Efficiency was not responsible for the creation of the Personnel Classification Board. The classification act provided for a Personnel Classification Board, to be composed of three men. One of them was selected from the Civil Service Commission, one from the Bureau of Efficiency, and the third from the Bureau of the Budget. These men constitute the board, and the Bureau of Efficiency is no more responsible for the result of transactions of that board than any one of the other two organizations.

It is the desire, however, on the part of some gentlemen to have within the Civil Service Commission the power to appoint two of these members. We can put the Bureau of Efficiency back there, and they would select a member from the Bureau of Efficiency, they would select a member from the Civil Service Commission, and those two would act against the one appointed by the Budget.

Now, the Bureau of Efficiency, I am informed, would be only too glad to get rid of this reclassification business. But whether it remains with one appointed from them or whether it remains with one appointed by the civil service and one by the Budget, a certain proportion of those classified who are employed by the Government of the United States, like a certain proportion of the girls living in the Government hotel, will be trouble raisers. That is their whole business—to raise trouble—and they are never satisfied unless they are raising trouble.

I would have the gentlemen who have any doubts with reference to the efficacy of the Bureau of Efficiency examine the record since it has been in operation. I will call your attention to some of the things it has accomplished: It has improved the methods in the dead-letter office; and that has resulted, as estimated by the Post Office Department, in a saving of \$30,000 a year. It has given efficiency ratings in the entire Post Office Department, and that has resulted in a saving of \$35,000 more a year. It installed improved methods in the stamp division, and it is estimated that has resulted in a saving of \$24,000 a year. It has improved the methods in the postal savings service, which have resulted in a saving of \$50,000. It submitted recommendations, which were adopted, to charge postage on dead letters forwarded for delivery, and this resulted in an increase of revenues estimated at \$30,000 per annum. A new system was devised, in collaboration with representatives of the department and the auditor, for auditing postal-savings accounts, and this resulted in a saving of \$60,000 a year.

I have a statement of the estimated annual savings resulting from improved methods adopted upon recommendation of the Bureau of Efficiency. I will not take the time to read it, but I will insert it as a part of my remarks.

The matter referred to follows:

Statement showing principal projects of the United States Bureau of Efficiency during the period from 1915 to date, with estimate of annual savings

POST OFFICE DEPARTMENT

1915

Improved methods installed in Dead Letter Office..... \$38,000
Efficiency rating system installed for entire department. Has been continued up to the present with salary adjustments every six months. Estimates of the department for the fiscal year 1917 were reduced by \$35,190 as a result of the rating system..... 35,000

1916

Improved methods installed in stamp division..... 24,000
Recommendations submitted and adopted to charge postage on dead letters forwarded for delivery. This resulted in increase of revenues originally estimated at \$30,000 per annum. During the year 1921 the revenues from this source amounted to \$109,775..... 30,000

1918

Same, postal savings service..... 50,000
New system devised in collaboration with representatives of the department and the auditor for auditing postal savings accounts. This resulted in a reduction in the estimates of the Auditor for the Post Office Department of \$60,000 for the fiscal year 1919 and annually thereafter..... 60,000

TREASURY DEPARTMENT

1914

Improved methods devised and installed in Treasurer's office, Division of Accounts. This resulted in withdrawal of an estimate for appropriation of..... 50,000

And reductions in appropriations as follows:

Fiscal year 1916.....	\$25,000
Fiscal year 1917.....	29,000
Fiscal year 1918.....	6,000

\$60,000

(In a letter dated December 2, 1914, the Treasurer of the United States stated that the saving in appropriations does not fully cover the results accomplished. He states that not only was there a saving in appropriations of \$116,000, but that 68 employees whose salaries were \$89,530 were released from the Accounting Division of the Treasurer's office, as a result of the work of the Bureau of Efficiency, and that "the work has been brought right up to date and is kept current.")

1918

Ignation and report January 26, 1918, recommending dis-
nuance of subtreasuries. This resulted in savings in
ies and contingent expenses estimated by Bureau of
lency..... 450,000

(Mr. Hand stated the amount of the appropriations
made unnecessary was \$660,000—H. R. hearings 12209,
February 10, 1920, p. 29.)

Saving in interest due to release of \$50,000,000 for use in
current business when Government was paying 5 per cent
for borrowed money..... 2,000,000

(Mr. Leffingwell in hearings of subcommittee of House
Committee on Appropriations, Sixty-sixth Congress, sec-
ond session, p. 843. See also House Report No. 675,
Sixty-sixth Congress, second session.)

ESTIMATED ANNUAL SAVINGS

1917, 1918, and 1919

Aided in solution of many difficult problems in organization
and procedure in Bureau of Internal Revenue when this
bureau was being expanded to meet the demands of new
revenue laws. Savings can not be estimated on a large
part of this work, but a change in the method of handling
sales-tax lists resulted in releasing employees from sales-
tax division in Washington whose salaries amounted to... 83,700

1921 and 1922

Recommendations to Commissioner of Internal Revenue, sub-
stituting carbon method for stencil and addressograph in
preparation of tax lists, index cards, bills, and other
records, were adopted after exhaustive tests..... 230,000

1923 and 1924

Cooperated with the Commissioner of Internal Revenue in
a study of the organization and business methods of the
prohibition unit. Project not yet completed..... None

1919 and 1920

Devised and installed a system of rating the efficiency of
employees in division of loans and currency in the
register's office..... 150,000

1922 and 1923

Survey made of the organization and business methods of
the public-debt service at the request of the commis-
sioner; recommendations submitted to the commissioner
and uniformly adopted..... 150,000

1924

Survey made of the personnel requirements of the public-
debt service for the fiscal year 1925 in cooperation with
the House Committee on Appropriations. Reduction in
estimates of..... 234,000

1922, 1923, and 1924

At the request of the director of the Bureau of Engraving
and Printing, devised and applied rating system for the
selection of plate printers to be retained in connection
with reduction of force required by law..... None

INTERIOR DEPARTMENT

1915

At the request of the Secretary of the Interior, an accounting
and cost-keeping system was devised and installed in the
Government Hospital for the Insane. A request for \$1,000
to employ expert accountants to do this work was with-
drawn..... 1,000

1916

Discontinued preparation of list of paid checks for disbursing
officer of pension office and improved methods of auditing
pension payments..... 15,000
(This was done by the Auditor for Interior Depart-
ment following plans previously recommended for this
work by the Bureau of Efficiency.)

1916 and 1917

Devised and installed complete system of accounting and
cost keeping in the United States Indian Service..... None

1918 and 1919

Devised and installed machine bookkeeping in three of the
largest units of the Indian Field Service, including the
office of the superintendent of the Five Civilized Tribes,
and a complete reorganization of the accounting branches
of the Muskogee, Okla., office..... 25,000

1920

(Same machine system was introduced in two smaller
field offices.)
By these systems the pooling of individual Indian moneys
was made possible, and increased interest earnings have
resulted, estimated to amount to..... 250,000

WAR DEPARTMENT

1919

Saved by revising the system of keeping records of and mak-
ing payment or salaries to civilian employees in the Finance
Department..... 90,000

Saved by changes in the audit of property returns (not
annual)..... 250,000

1921 and 1922	
Survey of organization, personnel needs and methods, Quartermaster General's Office; Military Intelligence Division, General Staff; and Office Chief of Air Service, undertaken at request of Bureau of the Budget	\$400, 000
1923 and 1924	
Survey of organization and methods Militia Bureau, now in progress	None
STATE DEPARTMENT	
1920	
Reorganization and changes in procedure in division of passport control and in index division	28, 000
MISCELLANEOUS	
1917 and 1918	
At the request of the Secretary of the Treasury, the bureau assisted in the organization of the Bureau of War Risk Insurance as it grew from a force of 50 to one of over 12,000. Methods and procedures were worked out and installed in nearly all branches. Organized and conducted a school to train employees at a time when efficient employees could not be had by the recruiting methods that had been used for generations	None
1918	
Changed system of making an exact "take off" from lists of separations prepared by War Department for Bureau of War Risk Insurance. It was superseded by an individual notice of discharge prepared by the military authorities	125, 000
1923 and 1924	
Survey of organization and methods, supply division, Veterans' Bureau; classification of supplies made and inventories undertaken; work still in progress	No estimate
1923 and 1924	
Assistance given to Director of Veterans' Bureau in connection with reorganization	None
1920	
An improved system for handling correspondence, accounts, and disbursements was installed in the Pan American Union	None
1921	
A personnel survey was made in the District of Columbia municipal government and recommendations submitted to the commissioners for improvements in the purchase and accounting for materials and supplies, and in the assessment, collection, and accounting for taxes	None
GENERAL	
1913 to 1923	
Efficiency rating systems have been introduced in all departments and establishments in the District of Columbia in accordance with the act approved Aug. 23, 1912, as amended, and the Executive order of Oct. 24, 1921	None
1919 and 1920	
A complete report was prepared for Congress showing the cost to the Government of certain plans for the retirement and pensioning of civilian employees	None
1919, 1920, 1921, and 1922	
Conducted survey of the statistical work of all Government departments; submitted recommendations to Congress for further consolidation of statistical operations	None
1922 and 1923	
At the request of the Interstate Commerce Commission, survey made of the organization and methods of the Bureau of Valuation; recommendations submitted to the commission	No estimate
1923 and 1924	
In cooperation with the chief coordinator, established improved purchasing methods for the Government service at large	200, 000
1921, 1922, 1923, and 1924	
A classification of employments and jobs in the District of Columbia was made and salary classification schedules developed. These schedules were incorporated in the Executive order of Oct. 24, 1921, and served as the basis of the compensation schedules contained in the classification act of 1923. Under this act the bureau has cooperated since Mar. 4, 1923, with the Personnel Classification Board, to which about one-half of its technical staff has been continuously assigned	None
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Mr. WOOD. I hold no brief for those who are occupying places within the Bureau of Efficiency, but I do know, by reason of my work upon these committees—and there are others here who know just as well as I do—that that activity has resulted in a saving of millions and millions of dollars on the part of the Government of the United States, and it should not be abolished at the whim or caprice of some one, or in order to satiate the desire of some one who feels he has been aggrieved in consequence of its activity.

I suspect I could name some of the gentlemen who have been furnishing information to those in opposition to the continuance of the Bureau of Efficiency. No doubt they are gentlemen who have been discharged, if you please, from the Treasury Department, but not because of any act of the Bureau of Efficiency, because their rating had never been reached. Right here I wish to say that the Bureau of Efficiency has nothing whatever to do with the fixing of a salary. All the Bureau of Efficiency does is to provide a method of

efficiency rating, and then it is left to the head of the department where the man works.

Would you destroy such a bureau? Are you going to break down every governmental activity and say that the man who is at the head of a department, and charged with responsibility, shall not have the right to discharge for inefficiency? Are you going to take that responsibility from the man who is at the head of the department and place it in the hands of the Civil Service Commission, which can know nothing, so far as observation or personal contact is concerned, as to whether a man is efficient or inefficient? But that is the position of those who would destroy the Bureau of Efficiency. They would, if you please, destroy the very functioning of good government by taking such responsibility away from the heads of these departments.

It may be true that some of these gentlemen practice favoritism when they fix the rates, but that is no fault of the Bureau of Efficiency; that is the fault of the man at the head of the department. I have discovered, and other gentlemen who have been here for some time have discovered, that favoritism is practiced by the heads of these departments, and they should be condemned for it. But condemn the one who is responsible, and it is not the Bureau of Efficiency.

Now, gentlemen, I wish to call your attention very briefly to the Veterans' Bureau. For the present fiscal year, based upon the pay rolls of June 30 and which were later revised, it was estimated that 4,435 employees in the central office and 28,855 employees in the field would be required for the fiscal year 1924. For 1925 it was estimated that 4,439 employees would be required in the central office and 24,351 employees in the field, or a reduction during the present year of approximately 4,500 employees.

Right here I wish to say, in passing, that a number of years ago I had charge of the appropriations for all the clerical forces in the District of Columbia. During the peak of the war there were 17,000 employees in the District of Columbia alone connected with the Veterans' Bureau. This has been reduced until to-day there are only about 4,500.

One of the great mistakes which was made, to my mind, was when we created the regional or district offices. They have not proven a success, in my experience, and I believe I voice the opinion of a number of others when I say that this has resulted in the employment of more than 20,000 additional persons whose principal work seems to be to confuse rather than to clarify. Nine-tenths of all these claims that go into the district offices eventually come to the central office. It was thought that we were going to take the activities to the soldier. Instead of that we have increased the amount of his troubles and have made it more complex. Those who have had charge of the work are convinced of this fact, and I am glad to say that General Hines is of the same opinion, and under his direction these offices will be reduced as fast as possible, and the sooner they are reduced the better.

I am glad to say to this committee that under the management of General Hines not only has the working force been reduced but the efficiency has been greatly increased. The vocational schools will soon be a thing of the past. By the 1st day of July most of them will have ended, and I know that you will all be pleased when I tell you that the institution at Chillicothe, Ohio, will be discontinued. This was one of the most expensive luxuries that was ever entered upon, and had it not been for the watchfulness of the Committee on Appropriations we would have had more institutions similar to the one that was conducted at Chillicothe. It cost \$127 per month per man at Chillicothe, while like training at other institutions was afforded for less than half this amount.

Mr. McDUFFIE. Did I understand the gentleman to say that General Hines would recommend bringing back all these activities to the central office?

Mr. WOOD. Under the law they may be reduced. There will be no more of them created, and a number of them have already been abolished, and they will be reduced as fast as the business will warrant a reduction, with a final concentration here.

Mr. McDUFFIE. I agree with that policy. I opposed the decentralization policy in the beginning.

Mr. WOOD. So did I. I think it was one of the greatest mistakes we ever made.

Mr. ALMON. Is it not a fact that all the district offices of the Veterans' Bureau that are not authorized by law have already been abolished?

Mr. WOOD. I do not know that they have all been.

Mr. ALMON. What did the gentleman mean, then, by saying that General Hines proposed to reduce them—reduce the per-

sonnel in the various offices or abolish some of the district offices?

Mr. WOOD. Abolish some of the district offices.

Mr. ALMON. Under the law would he be authorized to do that?

Mr. WOOD. Yes; they were only created for a certain length of time at best.

Mr. TILSON. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. TILSON. Do I understand it is to be the policy of the Veterans' Bureau to give up the decentralization program and bring all of it back to Washington, as it was before?

Mr. WOOD. Eventually; yes, sir.

Mr. TILSON. In other words, it has not worked out successfully?

Mr. WOOD. It has not worked out successfully, and I think every Member of Congress is of the same opinion with reference to it. We made a mistake in the first place, and it has caused more confusion and more trouble and infinitely more expense than the old system.

Mr. TILSON. The idea was not founded on a proper basis. When you establish an office in a certain territory that did not make it any more convenient for those who had claims before the bureau.

Mr. WOOD. That is right.

Mr. TILSON. As a matter of fact, there is something that must be written in every case, anyway, so that going personally to see the officer in charge will not serve the purpose.

Mr. WOOD. That is correct.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. NEWTON of Minnesota. Did I understand the gentleman to say they are going to do away this present year with some of the district offices?

Mr. WOOD. Yes; some of them will be done away with.

Mr. NEWTON of Minnesota. It was my impression from reading the law that the district offices had a limit of five years upon their existence.

Mr. WOOD. Yes.

Mr. NEWTON of Minnesota. And that there is no discretionary power left with the director to abolish them within that period.

Mr. WOOD. There are a number of suboffices in connection with each district office.

Mr. NEWTON of Minnesota. Yes; there are a little over 100 of those offices, and I presume that is what the gentleman had in mind.

Mr. WOOD. Yes.

Mr. NEWTON of Minnesota. That is what I thought.

Mr. WOOD. I wish to call the attention of the gentleman to one of the striking features among the activities of the Veterans' Bureau, and that is the insurance proposition.

The amount recommended by this committee for the purpose of insurance is \$88,000,000, which is \$2,000,000 less than the appropriation for the current fiscal year.

During the war there were approximately 4,500,000 policies in force, which has now dropped down to about 600,000 policies. The following is a brief statement of the Government insurance now in force:

Term insurance, in service and out of service, in number amounts to 216,123, and the amount is \$1,673,692,905.

The converted insurance, in service and out of service, in number is 338,781, and the value is \$1,304,909,996.

The amount that the Government is paying out in excess of the amount of money it receives in premiums is a little more than \$90,000,000, and this will not be less but perhaps more, extending over a period of 17 years.

I have here a very comprehensive statement which discloses the amount of money that we have invested or have expended for the relief of the soldiers of the World War. In volume it amounts to more than was expended for all the soldiers of all of our wars from the time of the beginning of this Government down to 1898, and that is not including, if you please, what is yet to be expended by reason of the legislation that is before another committee or by reason of the so-called bonus. I am not offering any criticism whatever. I am stating these facts merely in answer to the criticism of others that we are not properly caring for our soldiers.

Statement (as of January 1, 1924), showing appropriations made for allowances and benefits on account of soldiers, sailors, and marines who participated in the War with Germany

Acts	Military and naval family allowances	Military and naval compensation	Insurance	Administration	Hospitalization	Hospital construction	Vocational training	Bonus allowance	Payment of claims
Public, No. 90, Oct. 6, 1917.....	\$141,000,000.00	\$12,150,000.00	\$23,000,000.00	\$100,000.00					
Deficiency act, Oct. 6, 1917.....									
Deficiency act, Mar. 28, 1918.....				1,537,800.00					
Public, No. 178, June 27, 1918.....							\$2,000,000.00		
Legislative act, July 3, 1918.....				3,591,000.00					
Deficiency act, Nov. 4, 1918.....	70,000,000.00			7,680,000.00					
Public, No. 254, Feb. 24, 1919.....								\$237,979,340.00	
Legislative act, Mar. 1, 1919.....				12,276,328.81					
Public, No. 326, Mar. 3, 1919.....					\$785,333.00	\$9,050,000.00			
Deficiency act, June 5, 1919.....	39,615,000.00			2,429,500.00					
Naval act, July 11, 1919.....					1,000,000.00				
Deficiency act, July 11, 1919.....					4,500,000.00				
Public, No. 11, July 11, 1919.....							6,000,000.00		
Sundry civil act, July 19, 1919.....	48,000,000.00	50,000,000.00		10,000.00	4,000,000.00		8,000,000.00		
Deficiency act, Nov. 4, 1919.....				4,863,176.00			5,000,000.00		
Deficiency act, Dec. 24, 1919.....		30,000,000.00			2,000,000.00				
Deficiency act, Mar. 6, 1920.....		55,000,000.00			3,500,000.00	500,000.00	11,000,000.00		
Deficiency act, May 8, 1920.....					7,666,187.00				
Legislative act, May 29, 1920.....				11,056,194.89					
Naval act, June 4, 1920.....					100,000.00				
Sundry civil act, June 5, 1920.....		125,000,000.00			46,000,000.00		90,000,000.00		
Deficiency act, June 5, 1920.....					2,350,000.00		7,000,000.00		
Deficiency act, Mar. 1, 1921.....					1,000,000.00	400,000.00			
Legislative act, Mar. 3, 1921.....				9,447,620.67					
Sundry civil act, Mar. 4, 1921.....		125,000,000.00			33,000,000.00	295,000.00	65,000,000.00		
Public, No. 384, Mar. 4, 1921.....						18,600,000.00			
Deficiency act, June 16, 1921.....					8,710,272.00	1,250,000.00	15,000,000.00		
Deficiency act, Dec. 15, 1921.....					25,000,000.00		40,000,000.00		
Deficiency act, Mar. 20, 1922.....					20,278,930.00		73,714,182.00		
Deficiency act, July 1, 1922.....									\$25,000.00
Increased compensation act, July 1, 1922.....				4,013,480.00					
Independent offices act, June 12, 1922.....		160,000,000.00		34,970,974.65	64,658,680.00		146,409,188.80		
Public act, No. 216, May 11, 1922.....						12,000,000.00			
Deficiency act, Mar. 4, 1923.....			13,235,000.00						
Independent offices act, Feb. 13, 1923.....		118,450,000.00	90,000,000.00	50,284,063.00	48,683,710.00		120,743,000.00		
Increased compensation act, Mar. 4, 1923.....				3,353,280.00					
Independent offices (estimated for 1925).....		83,000,000.00	88,000,000.00	47,065,000.00	42,000,000.00		89,000,000.00		
National security and defense fund, allotments.....				4,268,000.00					
Total.....	298,615,000.00	758,600,000.00	214,235,000.00	196,946,418.02	315,233,112.00	142,005,000.00	678,896,370.80	237,979,340.00	25,000.00

¹ In addition contract authorizations to \$5,000,000.

RECAPITULATION

Military and naval family allowances		\$298,615,000.00
Military and naval compensation		758,600,000.00
Insurance	\$214,235,000.00	
Receipts from insurance (to Nov. 30, 1923)	411,215,930.95	
Administration		625,450,930.95
Hospitalization		196,946,418.02
Hospital construction		315,233,112.00
Vocational training	678,866,370.80	1,42,095,000.00
Receipts from sale of articles (since Feb. 15, 1923)	35,455.94	
Bonus allowance		678,901,826.74
Payment of claims		237,979,340.00
		25,000.00
Total		3,178,821,627.71
Deduct:		
Receipts from insurance premiums (to Nov. 30, 1923)	411,215,930.95	
Receipts from sale of articles (since Feb. 15, 1923)	35,455.94	
		411,251,386.89
Total net direct appropriations		2,767,570,240.82

There has never been a government upon the face of the earth that has appreciated valor and given expression to its appreciation as the United States has done, and I would have it ever continue, for the greatest service that a man can render, outside of that which he renders his God, is service to his country. It can not be measured in dollars and cents, but our appreciation and gratitude may be evidenced in some high degree by the care we provide for the sick and maimed living and the dependents of those who made the supreme sacrifice. [Applause.] I thank you, gentlemen, for your patience and consideration.

Mr. SANDLIN. Mr. Chairman and gentlemen of the committee, I realize that any Member of the House who wanted information on the bill has already obtained it from the efficient chairman of the subcommittee, and in addition to the remarks he made anyone who wants to make a closer study of the subject can read the hearings on the bill and the report. I am delighted to see so many Members of the House here present to hear the discussion of the appropriation bill, which will carry the largest amount of any bill that will be reported to the House.

Gentlemen of the House, I want to say that the members of the subcommittee—and I am sure I speak for all—are under obligation to the chairman of the subcommittee for his courteous treatment in the consideration of this bill. I want also to say for the chairman of the Appropriations Committee, the gentleman from Illinois [Mr. MADDEN], notwithstanding the differences in political views held by that distinguished gentleman and gentlemen on this side of the House, I believe there is no man in this Government that can as well perform the great duties imposed upon him as the gentleman from Illinois, unless it might be the gentleman from Tennessee [Mr. BYRNS], who may be acting in the capacity of chairman in the next Congress. [Applause.]

I want to say that I thoroughly agree with the gentleman from Indiana [Mr. WOOD] when he comments on the value of the Budget and the saving in dollars to the American people by the work of that bureau. Gentlemen of the committee, you know as practical, plain, common-sense men that when these heads of different departments come before the committees of the House, men who have been placed in charge of the different departments and who have assumed great responsibilities, tell these committees that it is necessary for their departments to function, that they must have a certain number of employees, and that it is necessary in order to get efficient help that they must pay certain salaries, what are the members of the committee to do? Necessarily, they have to take the word of these gentlemen unless they absolutely know that the statements they have made are not correct. Therefore I say in the final analysis it depends on the honesty and efficiency and the common sense of the men at the head of these different departments as to whether or not they will properly function.

I believe that the law creating the Bureau of the Budget was one of the greatest pieces of legislation ever passed by the Congress. One suggestion I would make is that perhaps in that bureau this House might have some representation so that they could better explain to the membership when a bill comes before the committee the workings of the different departments of the Government.

As stated by the gentleman preceding me, the appropriations carried in this bill amount to \$398,000,000 plus. It is a sum less by \$103,000,000 plus than that carried by the appropriation bill for the fiscal year ending June 30, 1924.

The Veterans' Bureau carries an appropriation of \$79,095,773, plus, less than that appropriated for the last fiscal year. The Veterans' Bureau and the Shipping Board's total amount is \$379,409,000. In talking about lessening the expenses of the

cost of government it might be proper at this time to call the attention of the committee to what care this Congress should exercise in creating new bodies and new commissions. I have no criticism to make of the membership of the House in creating them. I think the public at large is partly to blame. It is natural that each Member should like to represent his constituents, and it is proper to consider requests that are asked respecting matters of legislation. At the same time, in the same mail, from the same source, requests come that we cut down taxation.

One thing Members of the House lack more than any other—and I plead guilty to it myself—is a lack of courage. We should have the courage to tell some of our constituents when they are making unreasonable requests that they can not be complied with and at the same time cut down taxes. It is a hard matter to tell them unpleasant things, and when you tell people things they do not want to hear, it is but natural that they should not like it.

Mr. TILSON. Will the gentleman yield?

Mr. SANDLIN. I will.

Mr. TILSON. Suppose in our desire to return we go on creating new bodies, new commissions, and new expenses at the urge of the people themselves, are we not going to reach a time when we can not go any further and will have to have a Mussolini or some other escape from such a condition?

The people themselves keep urging us to go on creating new boards, adding additional expenses, and at the same time they demand of us that we reduce taxation. If that continues indefinitely, we are going to reach an impossible stage.

Mr. SANDLIN. I think we are rapidly going from bad to worse, I regret very much to say. Understand I am taking my part of the responsibility.

Mr. TILSON. Oh, I understand that the gentleman is. He is very fair about it.

Mr. SANDLIN. With reference to the Shipping Board, there seems to be some misunderstanding as to who is operating the ships, the Emergency Fleet Corporation or the Shipping Board. Admiral Palmer on that question said that the Shipping Board was operating the ships through the Emergency Fleet Corporation. I think they are both having something to do with the management. I will not say that they are not getting along down there as harmoniously as they should, but I think that all of them are running it. This is one of the largest activities of the Government; \$140,000,000 is spent in its activities. The testimony shows that in the operation of these ships on each cargo voyage there is an average loss of \$25,000. I think it is important that this country have a merchant marine, and I asked Admiral Palmer when he was on the witness stand and Mr. O'Connor, one of the commissioners, the value of a merchant marine to this Government. I suggested that it was costing the Government about \$36,000,000 a year, which of course must come out of the taxes paid by the American people, and I asked them then what in return the people were getting for this. Gentlemen will find it very interesting if they will turn to the hearings and read the questions and answers on that subject. They will there discover the great benefits that the American people will receive from a properly conducted merchant marine. As far as I am concerned, I would like to see it operated at the least possible cost to the American people, and I can not see why it can not be done. Other shipping operations are carried on by independent companies with profit. They seem to be making money, and I hope that out of the investigation now being made by the committee some plan will evolve whereby this country can boast of a great merchant marine at not such a great expense to the American people. [Applause.]

I find from the testimony before the committee that when a great many people in the Government service here in Wash-

ington and in different parts of the country become thoroughly efficient in certain departments along certain lines, such as the Internal Revenue—and that is not in this bill—the Emergency Fleet Corporation, the Interstate Commerce Commission, their services are demanded by corporations and private business on the outside. I have no criticism to make of those people conducting independent business or of people working in the departments who are employed by them. I believe the practice to be detrimental to the interest of the Government activity. As testified to by members of the Shipping Board, by Admiral Palmer, and by the interstate commerce commissioners, when a man gets to be expert along certain lines he is offered a salary sometimes five or six times as great as the amount which he has been receiving from the Government and is employed so that he can appear before the departments of the Government in the interest of a private concern. What can be done to remedy that I do not know, and I do not know whether it would be just to pass legislation which would prevent employees working in the different departments from accepting employment to appear before departments of the Government for a number of years. I would like to have the membership of the House consider the question, because I think it is an important one.

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. McDUFFIE. In my judgment, we necessarily must have some high-salaried men in the Shipping Board.

Mr. SANDLIN. Yes.

Mr. McDUFFIE. In the light of the world-wide competition for business on the high seas and the necessity for expert knowledge in this regard I must say that I can not agree with those who believe that a great business like this—the biggest business in the United States—can be successfully operated by low-salaried men; and, in the end, it is economy for the Government to have men with experience and ability. I take it that the Shipping Board has used its best efforts to select men who have expert knowledge and who can carry on the duties that are expected from them. I am sure there are some very splendid men connected with the supervision and operation of our merchant marine. The gentleman said something about the confusion of the duties of the Shipping Board and the Emergency Fleet Corporation. The gentleman will recall that the President some time ago, when he placed Admiral Palmer in charge of the operation of the fleet, laid down certain rules which were agreeable to Admiral Palmer but which, from press reports, were not agreeable to the Shipping Board. Conferences were held and resulted, according to my recollection, in leaving the Shipping Board with its supervisory capacity or authority, while the actual operation of the merchant marine was placed under Admiral Palmer.

If the gentleman will yield further, I would like to inquire if your committee had information as to whether any of the high-salaried officials about whom we were speaking or any member of the Shipping Board has failed to devote most of his working time to his official duties?

Mr. SANDLIN. Some of the members of the committee suggested, I think, to some of the witnesses who appeared before it that complaint had been made in this respect, and an amendment was considered which would provide that no part of the amount appropriated for salaries of the Shipping Board members should be paid unless they gave all of their working time to their duties.

Mr. McDUFFIE. I did not, of course, appear before the committee to make such a complaint, and my personal information in this regard is somewhat limited. I have been busily engaged with other matters and have not made it my business to make a thorough inquiry. I have not had the pleasure of making the acquaintance of all the members of the Shipping Board. I wish to say that I thoroughly appreciate the great problems, burdens, and responsibilities resting upon them, and I think we should look with all the sympathy and patience possible with a view to assisting them in their efforts to foster and develop our merchant marine. I am sure this is the attitude of this Congress.

Now, if the gentleman will yield further, I wish to say that I do not believe it can be successfully charged that every member of the Shipping Board has failed, or is now failing, to devote most of his time to his official duties in connection with the board. I have some information, however, as to one of the members of the Shipping Board—the Gulf representative, who happens to come from my district—to the effect that he has not devoted most of his working time to the Shipping Board, but has given a very great deal of his time to his newspaper publications and to strenuous efforts to dictate the politics of Ala-

bama, which, incidentally, he does not do. It has been suggested, and I thoroughly agree, that he might be of more valuable and patriotic service to his Government, which is paying him \$1,000 per month as a member of the Shipping Board, if he devoted a little more of his time to that office rather than giving so much of it to editorial work and publication of four daily newspapers in Alabama, two of which he has acquired since he became a member of the board. The member to whom I refer is Commissioner Frederick I. Thompson.

Mr. SANDLIN. I agree with the gentleman that no public official should draw a salary from the Government unless he renders value received to the best of his ability.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. JONES. Does not the gentleman think that this work could be done by one of these organizations without the necessity of the other?

Mr. SANDLIN. In answer to that I may say that I know nothing about the shipping business, but it seems to me that there ought to be some consolidation of the activities of the Shipping Board and Emergency Fleet Corporation.

Mr. McDUFFIE. I think the gentleman will find that the activities of the Shipping Board and Emergency Fleet Corporation are fairly well consolidated.

Mr. BYRNS of Tennessee. Will the gentleman yield?

Mr. SANDLIN. I will.

Mr. BYRNS of Tennessee. It was my observation—or, at least, my very firm impression—when Mr. Lasker was chairman of the Shipping Board that he exercised all the duties of all the commission and that the other commissioners did little more than draw their salaries, and I have often wondered why legislation was not proposed so as to eliminate or change the law so as to provide only one and save the \$12,000 salary for four or five men who did not do much to earn their salary.

Mr. SANDLIN. As you gentlemen know, this Emergency Fleet Corporation and Shipping Board is now under investigation by a committee whose membership is intelligent and who are earnestly seeking to find out the real conditions existing in the Shipping Board, and out of this investigation I have some hope and have reason to believe there will be a reorganization that will be of interest to the people.

Mr. CARTER. Will the gentleman yield?

Mr. SANDLIN. I will.

Mr. CARTER. Does not the gentleman think that one thing the matter is to have these two different boards attempting to function on the same matter—the Shipping Board and the Emergency Fleet Corporation?

Mr. SANDLIN. I think so.

Mr. CARTER. And as has been suggested by the gentleman from Tennessee, would it not be better to have the whole shipping proposition brought under one head, under one bureau, and have one responsible person at the head of it and eliminate all these other activities and not pay these salaries?

Mr. SANDLIN. As I said before, of course I am not a shipping expert but from the testimony that I have listened to I am of the opinion that there ought to be some consideration.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. SANDLIN. I will.

Mr. SHALLENBERGER. There seems to be a general opinion that we could get along better with one board. Did the committee consider as a remedy simply cutting out the appropriation for one of these boards and thereby doing away with it?

Mr. SANDLIN. No, sir; we did not. I think the reason we did not make a recommendation is that we knew the matter was being investigated and that some legislation would be passed perhaps at this session of Congress to correct it.

Mr. MANSFIELD. What does the gentleman think of the plan of placing it under the Department of Commerce as a bureau under that department?

Mr. SANDLIN. Well, I would not say. I am in favor of cutting out as far as possible as many commissions and as many departments as we can in this Government, because I am of the opinion we have too many.

Mr. MANSFIELD. I agree with the gentleman most fully.

Mr. SANDLIN. I call the attention of the committee to the appropriations carried for the valuation of railroads. Since 1913 to January 31, 1924, there has been appropriated the total sum of \$6,541,000 plus, for this purpose, and it will be probably interesting for Members to know how near his work is to completion. Mr. Lewis, a member of the commission, testified on page 365 of the hearings. He said:

I can picture the present status of our work better by reproducing a tabulation which I laid before you on a separate sheet of paper in

our previous hearing on December 10, 1922, and adding to it and incorporating in it the record of the calendar year 1923, which you will find set opposite the guide lines for December 31, 1923.

I call the attention of Members to the table on top of page 366 of the hearings. I will not at this time read the table, but call attention to some of the figures in it. On December 31, 1923, the total percentage mileage upon which underlying reports had been completed was 92.20 per cent. These underlying reports, miles of railroad, 225,298; number of corporations, 1,561; number of reports, 1,062. Now, on that same date—December 31, 1923—we have tentative valuation reports of only 54,626 miles, with a percentage of 22.29. In fact, if you will read the testimony you will become, I think, convinced it is going to be some time before this work is finally completed.

Mr. HOCH. Will the gentleman yield?

Mr. SANDLIN. I will.

Mr. HOCH. I understand the field work is already done. Is that correct?

Mr. SANDLIN. On the 31st of December, 1923, 92.20 per cent was completed.

Mr. HOCH. And what is going on now is in compliance with the law. First, they have a survey and then a tentative valuation, and then the law provides for a certain procedure for the railroads to come in and raise any question they desire in reference to this valuation.

Mr. SANDLIN. And litigation, of course, is bound to follow.

Mr. HOCH. Now, I want to ask this question. Was any testimony before the committee in reference to any necessary changes in this valuation law? Is it not true that in order to have any very great permanent value of these railroad valuations it will be necessary to keep them up to date?

Mr. SANDLIN. I think that is absolutely correct.

Mr. HOCH. And that the present law provides no simple and adequate way for keeping these valuations up to date? As I understand it has held that in order to get new figures from time to time upon the valuation of these railroad propositions it is necessary to go back and take an inventory of all the property. There is a phrase in the law which says that the valuation shall be made "in like manner." I call attention to the words "in like manner"; and if it is ever going to be of any practical value, it will be necessary to make a change in the law so that by simple accounting systems, by adding from time to time the value of additions and betterments that are made and subtracting the value of property that is put out of service, we may keep the valuation up to date, and have some real benefit from the valuation.

Mr. SANDLIN. I do not remember that phase of the law being discussed.

Mr. HOCH. I called attention to that fact on account of the fact that the gentleman had stated that we have expended about \$26,000,000 upon these railroad valuations, and that unless we do change this law and provide some means of keeping these valuations up to date they will be practically useless in a short time for any substantial purpose.

Mr. SANDLIN. I would like to call the attention of the committee to a clause in that law which I think probably the Members are interested in. It is set forth in a resolution passed by the organization of railroad commissioners of the different States at their last annual convention, held at Miami, Fla., December 4 to 7, 1923. This resolution in relation to this matter was adopted, as follows:

At its last annual convention, held at Miami, Fla., December 4-7, 1923, a resolution relating to this matter was unanimously adopted, as follows:

"Whereas the several States have cooperated with the Interstate Commerce Commission in valuation work, with the confident expectation that the valuations of roads made by the commission would be reported not only as a whole but by States, as the valuation act in terms requires; and

"Whereas the Interstate Commerce Commission is failing to report such values by States for the reason that it reports that it has no funds available for that purpose; and

"Whereas the failure to report said valuations by States will make the same available for Federal purposes only; and

"Whereas the appropriation necessary to enable the reporting of said values by States is trivial in comparison with the amount which has been already expended upon said work; and

"Whereas said valuations when completed ought to be in such form as to be available for all governmental uses, both State and Federal: Therefore be it

"Resolved, That this association respectfully urges upon Congress that sufficient appropriation be made so that the Interstate Commerce Commission may be enabled to make and report all such valuations as a whole and also by States."

You can see, gentlemen of the committee, how important that is to the different States in several particulars, especially to that board in each State which has to do with the fixing of taxes for the different States. It is very important that they should have this valuation. The commissioner who appeared before the committee said it would take \$100,000 to do this work. He stated it would be difficult to do, but said they would attempt to do it. The difficulty would arise in a condition like this: Take the New York terminals for instance. As he said, it would be a hard matter to take values of these properties and allocate them to the different States; that is, as to rolling stock that runs out of there. In the case of all cities that have large terminal facilities they would meet with this difficulty. Finally he said if he had an appropriation of \$100,000 this work could be done.

I think this is an important matter. This resolution was unanimously passed. The law provides for it. All the State railroad commissioners, I think, were represented, and they urgently ask Congress to approve this matter, so that this work can be done.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. COOPER of Ohio. The gentleman is a member of the Committee on Appropriations?

Mr. SANDLIN. Yes.

Mr. COOPER of Ohio. In considering the appropriation for the Interstate Commerce Commission in regard to the item for locomotive inspection, does the gentleman recall whether any statement was made to the committee in regard to what the salary of the locomotive inspectors would be under the new classification act? Does the gentleman recall whether anything was said about that?

Mr. SANDLIN. About the salary?

Mr. COOPER of Ohio. Yes.

Mr. SANDLIN. I do not think so, but I will not say for certain.

How much time have I used, Mr. Chairman?

The CHAIRMAN. The gentleman has used 30 minutes.

Mr. SANDLIN. There are many items in the bill that I would be glad to discuss, but a number of Members desire time and I would like to accommodate them. In conclusion I want to say that it was not the intent of the committee to cripple the activities of the Trade Commission. There is some difference of opinion about the operation of that institution. Those who voted to cut down the appropriation wanted to do that because they believed that the commission had investigated things with which they had nothing to do. I am in favor of giving them all that is needed. Some Members say they were called upon to make investigations that were not covered by the provisions of the law authorizing the creation of the Trade Commission. I am sure, however, that the members of the committee do not want to cripple the real work of the Trade Commission, but merely wanted that body to confine itself strictly to the activities for which the commission was created, so that the real work for which it was created should be effectively done.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. NEWTON of Minnesota. I notice the limitations placed upon the activities of the Trade Commission would restrict the commission from investigating at the instance of the President?

Mr. SANDLIN. Yes; other activities than those which the law provides.

Mr. NEWTON of Minnesota. Does not the gentleman think that that exception as to the President might easily be left out of the limitation? For example, should the Congress adjourn on the 4th of March and not reconvene until the first of December conditions might develop where the President might very well want to call upon the Federal Trade Commission to make a certain investigation. Does not the gentleman think that the President of the United States could be trusted to exercise that power with discretion?

Mr. SANDLIN. I agree with the gentleman. We do not believe that, under that provision, the President would be prevented from ordering any investigation. The gentleman means that he should be allowed to use the Federal Trade Commission in making any kind of an investigation not provided in the law?

Mr. NEWTON of Minnesota. Yes.

Mr. SANDLIN. He should have that power.

Mr. NEWTON of Minnesota. It seems to me the limitation has probably gone a little bit too far. I sympathize with the committee in its desire to prevent one or two Members in

another body from initiating investigations that may or may not do any good and which cost thousands of dollars.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. CARTER. As the gentleman will remember, the organic act provides for the commission to investigate any proposition where the violation of the trust laws is involved upon a resolution of the House, the Senate, or the President.

Mr. NEWTON of Minnesota. Yes.

Mr. CARTER. There have been 36 investigations made in 11 years upon such requests, 33 on requests by Senate resolutions, 7 upon House resolutions, 4 upon the request of the President, and 2 upon the request of the Attorney General.

Now, I heartily agree with the gentleman. The Chief Executive, in order to function properly in regard to these matters, ought to have some power to initiate investigations through the Federal Trade Commission. I agree with the gentleman on that.

Mr. NEWTON of Minnesota. Yes; that is my idea. I agree with the gentleman.

Mr. CARTER. I think we go a little too far in excluding investigations to be made at the request of the President. So far as my information goes, I do not think the commission has abused its powers in making any investigations.

Mr. NEWTON of Minnesota. If during these 11 years the Chief Executive of the Nation has used this authority only four times, certainly it has not been abused, and it seems to me that reference to the President ought to be omitted from the limitation.

Mr. TABER. Will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. TABER. Is it not true that that provision simply prevents investigation by the Federal Trade Commission into things that they are not authorized to go into by law and that they are authorized by law to go into violations of the anti-trust law?

Mr. SANDLIN. That proviso allows them to make any investigations which the provision in the act calls for.

Mr. TABER. Exactly; and most of the investigations which the President orders, and has been accustomed to order, are authorized by law.

Mr. SANDLIN. I would like to conclude because there are several gentlemen here who want time.

I want to say in conclusion, gentlemen, of the committee, that I believe it has been the earnest effort of this subcommittee—and I find it to be the effort of the Appropriations Committee as a whole—to frame an appropriation bill in accordance with the recommendations of the Bureau of the Budget, to cut those recommendations wherever it was possible and to make it incumbent upon those appearing for the different departments to make out a case before the amounts are allowed.

I think this is one of the things it will be well for the Members of the House to think about: If there is any one thing that the people of this country desire at this time, in my humble opinion, it is to have their affairs conducted in an honest, economical, and businesslike way. [Applause.] And I am glad to say that the great committee of which I am a member is doing everything in its power to see that this condition is brought about.

I am glad, in these days of turmoil and when the public mind is excited, that I am a member of a body in whose membership I have such great confidence. While the press of the country and some of the people are making their usual complaints and criticisms of Congress, I am glad to know that I am associated with men who are honestly endeavoring to serve their constituents.

Some days ago a committee of this House was appointed by the Speaker to make certain investigations. That committee is composed of representatives from both sides of the Chamber.

I have confidence in the members who compose that committee, and I know there will be nothing hidden, because on that committee are able and earnest men who represent both political parties.

My view is that the committees having investigations under way and all the other different committees should do their work, but let the rest of us stay here and attend to the people's business, so that we may get through with it and go home. I think if we do that it will meet with the approbation of the American people. [Applause.]

Mr. Chairman, I ask unanimous consent to extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. SANDLIN. Mr. Chairman, I yield five minutes to the gentleman from Kentucky [Mr. JOHNSON].

Mr. JOHNSON of Kentucky. Mr. Chairman and gentlemen of the House. The gentleman from Indiana [Mr. WOOD] in his opening statement to-day referred to the Government hotels being on property owned by the Baltimore & Ohio Railroad Co. I agree with him that those hotels should never have been placed there, for the reason that the United States Government owned abundant land immediately adjoining those particular lots upon which these hotels could just as well have been built. But reference to land between the Capitol and the Union Station recalls what took place in 1910, 1911, and 1912 relative to that same ground.

When the Baltimore & Ohio Railroad Co. moved its station and its switch yards back from their original site to the present site, that railroad company had land for which it no longer had use between the Capitol and the Union Station. Under the oft-repeated plea of making the Capitol beautiful, the railroads sought to build an ornamental station, and Congress went out of its way—very far indeed—to help build a beautiful railroad station. If I am correctly advised the station cost about \$3,000,000; and, in the way of helping to build a \$3,000,000 station, Congress gave \$5,000,000 worth of land and \$3,000,000 in money. Instead of taking stock in what is now known as the Washington Terminal Co. it gave them that property.

Part of that property which was given by the public to the railroads for the benefit of the public is now being used for the purpose of practicing extortion on the public. I refer not only to the whole plant, but particularly to that immediately in front of the railroad station.

Mr. TREADWAY. Will the gentleman yield?

Mr. JOHNSON of Kentucky. I will.

Mr. TREADWAY. Does not the remark that the gentleman just made about the land directly in front of the station apply also to the side of the station?

Mr. JOHNSON of Kentucky. Yes; on the west side.

Mr. TREADWAY. In other words, the station itself does not occupy nearly all of the land which the Government deeded to the Terminal Co. for station use?

Mr. JOHNSON of Kentucky. The gentleman is quite correct, and the part in front of the railroad station is now being used as a street; subject, however, to charges for its use made by the railroad.

Mr. ROACH. Will the gentleman yield?

Mr. JOHNSON of Kentucky. Yes.

Mr. ROACH. Did I understand the gentleman a moment ago to say that the Government gave \$5,000,000 worth of land and \$3,000,000 in money?

Mr. JOHNSON of Kentucky. Yes; and when those gifts were being made, the author of the proposition was seriously asked here if it was thought the railroads would accept so much as a gift, the suggestion being so preposterous, that Uncle Joe Cannon answered the question by saying, "Will a duck swim?"

But, to hurry along, on that street in front of a railroad station which was given by Congress to the corporation that owns it charges are now being made for the street cars to run over it. Of course, that makes a street car ticket or token cost more. Your automobile or mine can not go in there in order to get to the station, but the right to enter there is rented out as a privilege, either to their own taxicab line or to another, I know not and care not which, and those taxis have almost the exclusive access to the station.

But I have not yet reached the material part of the matter about which I wish to speak, and it is this: When the Baltimore & Ohio Railroad and its holding companies had no further use for the land between the Capitol and the Union Station, it sought through one of their employees to have it included in the park system, and afterwards the proposition was made to sell it to the Government as a park. The proposition was made through Mr. Tawney, then chairman of the Committee on Appropriations. He brought the matter before the House. The House had it all but defeated when Mr. Tawney came in with the statement from the principal attorney of the Baltimore & Ohio Railroad to the effect that if Congress would buy it, the railroad company would sell it to the Government for original cost plus 6 per cent interest. Congress accepted that proposition.

The CHAIRMAN. The time of the gentlemen from Kentucky has expired.

Mr. SANDLIN. I yield five minutes more to the gentleman from Kentucky.

Mr. JOHNSON of Kentucky. A commission was then appointed by Congress to acquire the railroad property and other property which lay in the same zone, owned by pri-

vate individuals. There was a provision in the act which authorized the commission to acquire all of that property by private sale, if possible; and, if that could not be done, then under condemnation proceedings. Notwithstanding the fact that an offer had been made to the Congress by the railroad company to take original cost plus 6 per cent interest for the property, that opportunity was not availed of; but, instead, the commission laid a blanket condemnation proceeding over all the land between the Capitol and the Union Station, no matter by whom owned. Under those proceedings an award was made to the Baltimore & Ohio Railroad for \$565,000 more than the Baltimore & Ohio had agreed to take for it.

Mr. TREADWAY. Will the gentleman yield there? What part of the land for which they were awarded \$565,000 was included in the land originally given to them by the Government?

Mr. JOHNSON of Kentucky. I regret that I have not that information before me now. I did have it and used it in a speech I made here in 1912 or 1913, I forget which.

Mr. TREADWAY. It was included, nevertheless.

Mr. JOHNSON of Kentucky. That is my recollection.

Mr. TREADWAY. The donated land was later on sold and included in this figure?

Mr. JOHNSON of Kentucky. To make it quite plain, the United States Government gave the Baltimore & Ohio all the land they needed, and more, too; and then the Baltimore & Ohio land was sought to be sold to the Government, and they repudiated their proposition by getting the commission to condemn instead of to acquire by voluntary purchase and sale at the agreed price; but the award allowed them was \$565,000 more than they said they were willing to take for the property.

Mr. ROACH. Do I understand they are trying to sell us back a part of the land which the Government gave them?

Mr. JOHNSON of Kentucky. They are not only endeavoring to do that, but they are endeavoring now by a bill introduced at the other end of the Capitol to yet collect from the United States Government not what they said they would take but the \$565,000 additional, with interest on it, that the commission awarded them under the condemnation proceedings.

There have been many such instances here. A few years ago I recited some of them, where the Government bought property and paid more than the owner of it had agreed to take for it. In mentioning these instances I know I have been absolutely free from endeavoring to inject politics into the subject. Upon one occasion, when a Democratic Cabinet officer bought for the Bureau of Standards a tract of land and paid \$48,000 more for it than the owner but a short time before had stated under oath he would take for it, I brought that to the attention of this House. In another instance a public official then, as well as now, sought and accomplished the purchase of another tract of land for a school in the District of Columbia for about \$30,000 more than the owners asked for it.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. CASEY].

[Mr. CASEY was granted leave to revise and extend his remarks in the Record.]

Mr. CASEY. Mr. Chairman, I want to call the committee's attention this afternoon to a move now on foot to deprive the postal employees of the country from receiving an increase in salary and better working conditions, which it is almost universally agreed they are entitled to. One method used to accomplish this is that it is being suggested the question of increased wages and improved working conditions be postponed for the present that an investigating committee be appointed to investigate into this matter. Another method being used is that it is suggested a lump sum be appropriated for the use of the Postmaster General so that he may, at his discretion, relieve any unusual conditions that may appear to him to exist in the larger cities.

WILL GET ADMINISTRATION BEYOND ELECTION

Of course, either of these propositions, if acceded to, will get the present administration beyond the coming presidential election. It is my judgment that the time for Congress to act on this important question is now, and not after the next election. These postal employees are entitled to everything they are asking for and a great deal more. [Applause.]

I am curious to know just what is meant by the large centers, and why postal employees in the large centers are entitled to different consideration and treatment from those in the smaller centers if the economic and industrial conditions are similar. I was somewhat surprised the other day upon receiving a budget of yearly receipts and expenditures prepared by the postal employees of the city of Wilkes-Barre, Pa., my home town.

FAMILY OF FOUR INSTEAD OF FIVE

This budget was based upon a family of four—husband, wife, and two children. The average American family is five—husband, wife, and three children; but after going over the figures contained in the budget which I received I can readily understand why they have made the figures apply to a family of four instead of a family of five. It was their desire to be extra conservative in their estimates. I am going to take the time this afternoon to read to you the figures contained in this budget. They are as follows:

Items	Amount per year	Amount per month	Amount per week	Amount per day	Amount per person
Rent.....	\$540.00	\$45.00	\$11.25	\$1.60 ¹	\$0.40
Coal, wood, and gas.....	150.00	12.50	3.12 ¹	.44 ¹	.11
Electric iron and light.....	24.00	2.00	.50	.71	.02
Groceries, provisions, etc.....	600.00	50.00	12.50	1.78 ¹	.44 ¹
Milk.....	108.00	9.00	2.25	.32 ¹	.08
Meats.....	180.00	15.00	3.75	.53 ¹	.13
Clothes, shoes, etc.....	420.00	35.00	8.75	1.25	.31
Societies, lodges, clubs.....	36.00	3.00	.75	.10 ¹	.02 ¹
Life insurance.....	75.00	6.25	1.56 ¹	.22 ¹	.05 ¹
Fire insurance.....	6.00	.50	.12 ¹	.01 ¹	.00 ¹
Daily and weekly papers and periodicals.....	12.00	1.00	.25	.03 ¹	.00 ¹
Taxes.....	12.00	1.00	.25	.03 ¹	.00 ¹
Doctor, druggist, and dentist.....	116.00	9.66	2.41 ¹	.34 ¹	.08 ¹
Household sundries.....	72.00	6.00	1.50	.21 ¹	.05 ¹
Car fare, picnics, amusements, etc.....	120.00	10.00	2.50	.35 ¹	.08 ¹
Church and charity.....	60.00	5.00	1.25	.17	.04 ¹
Total.....	2,531.00	210.91	52.06	7.13	{ \$1.74 \$1.43

¹ 89 cents per hour.

² Per day, 4 persons.

³ Per day, 5 persons.

YEARLY BUDGET FADES AWAY

You will note from the above table that the yearly income is fixed at \$2,531. This is not a very large sum.

Let us see how this amount in its practical application fades away, so to speak: Rent, \$540 per year, \$45 a month—and let me say that is a very conservative estimate, because the city of Wilkes-Barre covers an area of less than 5 square miles and has a population of about 85,000 people, and because of the crowded conditions there rents, as well as other necessities of life, are necessarily high. The Wilkes-Barre post office serves 183,000 patrons; that would be \$11.25 per week, \$1.60¹ a day, or 40 cents a day per person. Coal, wood, and gas, \$150 per year, would be \$12.50 a month, \$3.12¹ a week, 44¹ cents per day, or 11 cents for each person. Electric light, \$24 a year, \$2 a month, 50 cents per week, 7¹ cents per day, less than 2 cents per day for each member of the family. Anyone who knows anything about electric light knows that if you burn a 40-watt lamp a few hours each night it would cost a great deal more than the amount allowed here. Groceries, provisions, and so forth, \$600 per year; that is \$50 a month, \$12.50 per week, \$1.78¹ per day, or 44¹ cents for each person. Surely, not too much.

Milk, \$108 per year, \$9 a month, \$2.25 a week, 32 cents per day, or 8 cents for each member of the family. That would be about 1 pint of milk for tea, coffee, cereals, and cooking for the family. Meat, \$180 per year, which would be \$15 a month, \$3.75 a week, 53¹ cents per day, or 13 cents for each member of the family. I wonder if any person believes 13 cents' worth of meat is too much for a postal employee. Clothes, shoes, and so forth, \$420 per year, \$35 a month, \$8.75 a week, \$1.25 a day, or 31 cents for each member of the family. Not much danger of the postal employees, or members of their families, wearing silks and satins and sealskin coats on 31 cents a day. Societies, lodges, clubs, \$36 per year, which would be \$3 a month, 75 cents a week, 10¹ cents a day, or 2¹ cents for each member of a family. Life insurance, \$75 per year, which is equal to \$6.25 per month, 156¹ cents per week, 22¹ cents per day, or 5¹ cents for each member of the family.

Gentlemen of the committee, you can readily understand how much life insurance a postal employee's family can get for 5¹ cents a day. It is so absurd I feel it is unnecessary for me to discuss it further. Fire insurance, \$6 per year, 50 cents a month, 12¹ cents per week, 1¹ cents per day, or a quarter of a cent for each member of the family. Is this not wonderful protection for the postal employee and his family? Daily and weekly papers, periodicals, magazines, and so forth, \$12 per year, \$1 a month, 25 cents a week, or 3¹ cents a day, or three-quarters of a cent for each member of the postal employee's family.

Gentlemen of the committee, do not forget that with reference to this item it has been charged that the Government subsidizes the publishers of these publications to the extent of several hun-

dred million dollars a year, under the pretense that it is necessary to do this in the interest of education of the people. Let us see how much of this education, which is so essential, do we provide for the postal employees and members of their families. Less than 1 cent per day. We should not be very proud of any such arrangement.

Taxes, 12 per year, \$1 a month, 25 cents a week, 3¢ cents a day, three-fourths cent a day per person. This shows conclusively that the postal employee has very little upon which to pay a tax.

Doctor, druggist, and dentist, \$116 per year, \$9.66 a month, \$2.42½ a week, 34½ cents a day, 8½ cents per person; 8½ cents per day will not provide many gold crowns nor much bridge work from the dentist, neither will it provide very much perfume or toilet water, and so forth, from the druggist. It will take a great number of these daily allowances to be sufficient to pay for just one visit of the doctor to the postal employee's home.

Household sundries, \$72 per year, \$6 a month, \$1.50 a week, 5½ cents per person. It will, no doubt, be agreed this is not too much. Car fare, picnics, amusements, theaters, circuses, movies, \$120 per year, \$10 a month, \$2.50 a week, 35¢ cents a day, or 8½ cents per person; this amount of 8½ cents per person per day in Wilkes-Barre will permit the postal employee to take his family of four on the street car to the center of the city, look at the pictures on the billboards in front of the theaters and movies, and then walk home.

The next and last item in the postal employee's budget is for church and charity. Surely these are two very worthy items, for which the postal employee should be able to properly provide. The item in the budget is \$60 per year, \$5 a month, \$1.25 a week, 17½ cents a day, or 4½ cents per person. This would allow the sum of 2½ cents for the support of the church and 2½ cents for charity. With this meager allowance the postal employees or members of their families could not be expected to contribute very much to either church or charity.

MANY ITEMS NOT INCLUDED

You will note that the above table does not include anything for the following: Vacation, sickness, hospital, piano, music, music lessons, auto and upkeep of same, radio, phonograph and records, musical instruments, wear and tear on furniture, carpets, household goods, and so forth; new furniture, window shades, lace curtains, and other household necessities; lectures, normal school, and college education for the children; the glorious Christmas and New Years, the joyous Easter. Not one cent for Independence Day, telephone, old age, and many other items which should properly be included in a budget such as has just been read.

Is there any just reason why the postal employees and their families should not have a vacation some time during the sweltering summer months. Can there be any just reason why the postal employees should not be able to provide for his family when they are stricken down with sickness? Can there be any just reason why the postal employee should not be able to provide hospital accommodations for members of his family if it becomes necessary? Will anyone deny the right of the postal employee to own a piano and other musical instruments and give music lessons to his children? Should not the postal employee be able to provide for himself and family an automobile and its upkeep; not an expensive machine, but one in which he could take his family once in a while out of the sweltering dwellings in the city to the country, there to enjoy a little of God's sunshine and good, fresh air? Some may say a radio is not for the postal employee or his family. Why should they not have the opportunity to enjoy home life by listening to the wonderful musical programs and the wonderful, inspiring, and educational lectures and speeches which the wonderful radio affords? Can anyone offer a just reason why the postal employee should be denied these things mentioned above which are so essential to his health and happiness?

PRESENT SALARY TOO SMALL

There are those who say the postal employees receive \$1,800 a year, and that this is enough. That would be \$150 per month; \$37.50 per week; \$5.35 per day; 66⅔ cents per hour—not the wages paid common unskilled laborers—and out of this munificent sum of 66⅔ cents 2½ per cent is now taken by the Government to provide a fund for the retirement of the postal employee when he reaches the age of 65 years; and if he entered the service when he was 25 years of age he must go on with his drudgery for 40 years before he is eligible for retirement; and if the bill which has been reported from the committee is enacted into law 3½ per cent of his earnings will be deducted to be placed into this fund. It is a crime to see

these postal employees being compelled, after working hard and faithful all day for the Government of the United States, to go out and work evenings, Sundays, and holidays to earn a few dollars, so that they can maintain their families, and it is not uncommon to see the postal employee go to work in the early morning and then see his wife also go to work for the day when the children leave the home for school.

SWEAT-SHOP CONDITIONS

Not satisfied with denying these faithful employees proper wages, the United States Government compels them to work under conditions which are detrimental to their health, in stuffy, overcrowded buildings, without proper ventilation, proper cubic air space, sweat-shop conditions. The United States Public Health Service reports show, if I remember correctly, that each employee should have at least 128 feet of air space. But we find in the Wilkes-Barre office this rule of the United States Public Health Service is cast aside and each employee is given not 128 feet but only 39 feet. Surely no one can justify such an outrageous condition as this.

AMOUNT OF MAIL AT WILKES-BARRE OFFICE

Figures compiled by the Wilkes-Barre postal district convey in a very powerful manner the amount of work done by employees of the Postal Department.

It has been determined that the average number of pieces of mail carried by foot carriers per day is 90,230 and the average daily weight 76,000 pounds. This means that an average weight of 93 pounds of mail is carried by each carrier in the Wilkes-Barre district daily, and the number of pieces of mail carried daily by each carrier is 1,100.

Compilation of postal receipts for the month of March do not vary greatly with those for the preceding period of last year. A total of \$39,723.92 has been collected during the month of March.

LABOR SHOULD BE FIRST CHARGE

The human element, "labor," which enters into the great Postal Service of the United States should properly be the first charge against that service, but it appears as though it is the last. The people of the United States, in my opinion, are not interested in whether the Post Office Department has a surplus or not at the end of the fiscal year provided they get proper service. The Postal Service of this country was established not for the purpose of putting money into the Treasury of the United States but for the purpose of giving the people first-class, up-to-date service. The people do not care what the cost may be if they get proper service, and the people, who, after all, pay the expenses of this department, are not only willing but anxious to see these faithful postal employees receive proper wages. They are also anxious to see them have healthy, sanitary surroundings in which to perform their daily tasks.

I sincerely trust that Members of Congress who favor proper wages and working conditions for the postal employees will not permit this session of Congress to adjourn until substantial relief is given to these faithful public servants. [Applause.]

A NECESSARY PUBLIC UTILITY

Mr. Chairman, it requires 330,000 employees to operate the Postal Service. All these employees must possess an average amount of education and intelligence. They must undergo a certain amount of preparation in order to fit themselves to perform their duties efficiently and intelligently. Out of this large number of employees 57,183 are postal clerks, and in order to perform the various responsible duties assigned to them they must possess a good education and an exceptional natural ability.

They must possess a good moral character and a good physical constitution. Their duties are very exacting and require a great deal of concentration and constant application. The rules and regulations governing their efficiency records are very rigid and every error or delinquency automatically reduces it.

About 70 per cent of the postal clerks are compelled to work at night because the large business firms and mail-order houses do not deposit their mail until after the close of the business day. For these arduous duties and sacrificing privations these faithful employees are paid salaries ranging from \$1,400 to \$1,800 a year, with a reduction of \$35 and \$45 a year, respectively, for pensions, which leaves an average weekly salary of \$26.25 to \$33.75.

POSTAL RECEIPTS, 1922-23

The receipts of the Postal Service for the fiscal year ended June 30, 1923, were \$532,827,925, an increase of 9.89 per cent over 1922, as against an increase in the clerical force of only 2.06 per cent, with no increase in salary. It is an astonishing

revelation to know that within a period of 40 years there has been an increase of only \$400 in the maximum salary of the postal employees, while the cost of living has doubled and tripled within that time.

In the year of 1883 Congress passed a classification law which established grades from \$400 to \$1,400 a year, with no provision for promotion and no regard for faithful and efficient service.

A second measure was passed in 1907 providing for automatic promotions from \$600 to \$1,100.

The present classification bill was enacted in 1920, establishing five grades ranging from \$1,400 to \$1,800 a year, with two special grades of \$1,900 and \$2,000 for meritorious service.

According to the Bureau of Labor Statistics the accumulated loss of salary to the postal clerks from 1913 to 1923, inclusive, on account of the inadequate salaries paid to them, amounts to \$3,947 each. This is appalling. Members of Congress, when it is considered that the postal employees are working under the only revenue-producing department of the Government. The payment of their salaries does not depend upon the revenue collected through the general taxes levied upon the people. They produce the revenues to pay the expenses of their department, and they are justly entitled to a reasonable share of their production.

LIVING COSTS ADVANCED

The present salary law, \$1,400 to \$1,800 a year, was enacted in 1920, when it was expected that the high cost of living would recede, but the supposition was not well founded, because instead of the cost of living receding it has greatly advanced, and in a very detrimental and hopeless manner. While the cost of food and clothing has been reduced somewhat, and fluctuated considerably, the fixed and unescapable cost of the absolute necessities of life, such as house rent, the purchase and upkeep of property, taxes, transportation, fuel and light, has steadily advanced out of all proportions to the meager salary now paid to the postal employees.

WHY CONGRESS SHOULD INCREASE THE PAY OF POSTAL EMPLOYEES

Recently the Union Postal Clerk, the official journal of the National Federation of Post Office Clerks, conducted a prize essay contest in which post-office clerks were asked to set forth reasons why Congress should increase their pay. More than 150 essays were submitted. The judges awarded first prize to Charles E. Dolan, Chicago; second prize to K. Baarslag, Brooklyn; and third prize to Bert Persell, Indianapolis.

These essays are as follows, and no doubt will make very interesting reading to many:

FIRST PRIZE

WHY CONGRESS SHOULD INCREASE THE PAY OF POST-OFFICE CLERKS

A saying attributed to Bonaparte is to the effect that an army marches on its stomach, the great soldier meaning thereby that the efficiency of a fighting unit is in direct proportion to its physical comfort.

The Corsican's aphorism is as applicable to the armies of modern industrialism as it was to those that marched and met at Marengo or Waterloo, and in a broader sense. Their comfort, too, must be provided for if they are to be competent and efficient instead of shiftless and incapable. Not merely filled with food. The oft-quoted "not by bread alone" fits singularly in the consideration of their case. There are other things in our civilization to be desired besides the mere satisfaction of animal appetite. There is self-respect and the respect of our neighbor, for instance. Who can or does possess these if he be not decently clad and housed, able to provide for himself and dependents at least a moderate share of social pleasures?

If it be accepted—and it is generally accepted—that a well-paid and well-satisfied worker is a greater asset to his employer than is one not so well paid or well satisfied, why should not Congress take steps to the end that the post office, the very mainspring of industry, be brought to that peak of usefulness to which an adequate salary scale can bring it? Two essential things would almost immediately result from this course—the elimination of the deadly "turnover" and the attraction to the service of high-grade men.

Apart from the benefits that would certainly accrue to business and the country at large if this policy were adopted, there is another question involved which merits the attention of those in whose hands the whole matter rests: Is it desirable that the United States—richest of countries, capstone of civilization—should underpay its employees? Is it proper that men and women whose work requires a pretty high standard of intelligence, who are subjected to adverse conditions inherent in their employment—night work, perpetual scheme study, etc.—should be the object of the pity, or scorn, of the common labor that draws a higher remuneration?

The late Elbert Hubbard in his heyday was author of an article on the duty of the employed. "If you work for a man, for God's sake work for him," was his theme, and he did it justice. Considering the

impression he made on certain gentlemen whom I worked for then, I have ever since regretted that he did not write a companion piece, "If a man works for you, for God's sake pay him a living wage."

There's a phrase! "A living wage." What is it? Capable of innumerable interpretations, according as there are different standards, it is impossible to arbitrarily define it. I hope it is not presumptuous for a postal worker to see it as that yearly sum which would enable him to live in decent surroundings, wear fairly respectable clothes, keep an average table, have a little for the rainy day; and, while the market is flooded with "flivvers" for a song, would it be unreasonable if on Sundays he could afford to spend a few nickels on gasoline to take the family for an airing?

I am not to be taken as charging or insinuating that Congress is or has been deliberately unfair to the postal servants. I have been in the service since 1912 without interruption, and in that time I have seen enough to convince me that the legislators are at no time either indifferent or hostile. If now we have dropped behind the procession, if the great majority of the department's employees are compelled to get along as best they can on one hundred and fifty 60-cent dollars per month, I believe that rapidly changing conditions and the press of mighty affairs are to blame.

I am confident that the Senate and House will do us justice as soon as properly informed.

After the need for an increase has been proven; after it has been demonstrated that those for whom it is solicited are deserving of it, there yet remains two considerations of the first moment. They are:

1. Would the country approve of higher salaries?

2. Can the Post Office Department afford to pay them?

Let us see if these considerations are prohibitive. As to the first, Americans are a generous and an open-handed people; necessity, even in the remotest corner of the earth, does not go unheeded by them. Is it to be supposed that such a people, or any considerable part of them, would object to a program whose sole object is the provision of tolerable conditions for the most essential of their servants? For myself, if it were possible to bring the matter to a referendum, I would be willing to lay it before the people with every confidence of the widest approval. Influential opinion, as voiced by prominent men and great newspapers and periodicals, favors a higher salary scale; opposition to it from any popular source is not in evidence.

"Can the Post Office Department afford to pay higher salaries?"

This, in view of the campaign for and real need of economy, would appear to present a serious difficulty. If, however, it is taken into consideration that the post office, among other Government institutions, is potentially self-supporting, the difficulty is not so apparent. I say potentially. A deficit exists. Can it be remedied? The best authority says it can, and by a no more involved process than a simple readjustment of certain mailing rates.

In my humble opinion, it is proper and necessary for Congress to call for and authorize such readjustment and increase salaries with the revenue so provided. If the department is enabled to stand on its own feet and at the same time pay for labor at its true value, business and the general taxpayer—relieved of the deficit and assured an efficient Postal Service—will be the principal beneficiaries.

CHAS. E. DOLAN,

8751 Michigan Avenue, Chicago, Ill.

SECOND PRIZE

WHY CONGRESS SHOULD INCREASE THE PAY OF POSTAL CLERKS

Not until one has lost the use of his eyes does he fully realize the inestimable value of sight. The same might be said of the nervous system of the human body. The Postal Service has been very aptly described by President Harding in his speech to the Portland (Oreg.) postal employees. He said, "You represent the nerve system of the American Republic—the biggest business institution of itself in the world. And in no place in the world is there a better postal service than in the United States."

The Postal Service is the supreme economic utility of our complex social, political, and business life. We are altogether too prone to accept the Postal Service as a matter of fact. While the telephone, telegraph, transit utilities, and coal production have been stopped by strikes or demoralized by threats of strikes, the Postal Service since its inception has, like a great pulsating heart, forced the blood of business life through the arteries of the Nation without skipping a beat. It does not require a very great imagination to picture the chaos that would follow the sudden cessation of the Postal Service. The wheels of industry would cease to turn and the economic life of this Nation would be paralyzed. It is for this reason that the communication of written intelligence is a Government monopoly and to a lesser extent the parcel-post system, which facilitates the exchange of commodities.

The postal employees base their request for more pay on three reasons.

1. As an equitable and merited remuneration for service performed. The postal employee feels that the 330,000 men and women who constitute the "biggest business in the world" should be paid proportionately to the importance of the work they perform. One person in about every 330 is set off to carry on the work of the Postal Service, so

important to the rest. The ordinary rewards and advancements of business and political life are denied to him. Promotions in the Postal Service are few and the increase in salary very little. In business and industry the longer a person serves a company the more valuable his knowledge becomes, and advancement and increased salaries are the reward for initiative, intelligence, and ability, insuring him of a competence or economic independence in later life. Not only this but this experience and knowledge can nearly always be used in another position or locality. This is not true of the post office. The post office has no rival or similar organization to which the postal employee can sell his skill and knowledge.

The ordinary methods by which labor can increase its wages, such as strikes or threats of strikes, are denied by law to postal employees. The economic balances of supply and demand do not operate in favor of the postal employee. The increased building activity has created a scarcity of building labor, with the result that these trades receive great increases in pay. A scarcity of labor in the post office means only more work and has no beneficial effect, as the pay is fixed by law.

The last, but most potent, argument under this heading is the fact that working conditions have become more and more arduous during the last 20 years. Before the advent of the Parcel Post System, the frequent train service, and the automobile service, the position of a post-office clerk may have been looked on as desirable. To-day many men handling the parcel post are little better than stevedores. Seventy per cent of the clerical work is night work. Many men work several years before they are even entitled to "rotating tours," while others work from 10 to 15 years at night work in order to qualify for steady daywork. To this must be added the artificial light, dust, and close mental attention necessary to properly sort mail, having to remember thousands of numbers, streets, names, and facts which make up his "scheme" of distribution. These "schemes" he must study on his own time at home.

2. The second reason that an increase is necessary is to save the Postal Service from gradual disorganization. The reports of the department on the number of resignations have been read into the CONGRESSIONAL RECORD. Night work, "scheme" study, and inadequate salaries make it difficult for the post office to recruit men, except in time of industrial depression, and even then these men leave as soon as conditions return to normal.

The postmaster of Detroit estimates that 75 per cent of his force are waiting to see if Congress passes a measure of relief for their preparatory to resigning. While this figure may be large, still throughout the country a considerable per cent of the postal employees take the same attitude. They feel very much like the panting dog in the comic strip which hopelessly pursues a tantalizing sausage suspended before his nose by means of a stick fastened to his back.

3. The third and last reason has been fully covered by speeches in Congress. It is reason of urgent necessity in order to live decently. Postal wages have increased 50 per cent since 1907, while the cost of living has increased many times that. The postmaster of Boston gives data to show that \$2,436 is a minimum sum on which to support a man, wife, and two children. Many employees are forced to do other work. All findings of the postal salaries commission of 1919-20 hold true with equal force to-day. A slight increase was made at the time with the expectation that the cost of living would drop. This has not happened, but, to the contrary, rents have gone up.

K. BAARSLAG,
Brooklyn, N. Y.

THIRD PRIZE

WHY CONGRESS SHOULD INCREASE THE PAY OF POST-OFFICE CLERKS

The above question is hardly a debatable one. A mere glance and a hasty survey of the facts and evidence, as has already been brought to the notice of Congress, is more than sufficient to justify that august body of men now assembled to grant the very modest increase now being asked by the post-office clerks throughout the country.

The post-office clerks of this country—the greatest country in all the world—are sadly underpaid in proportion to the volume of work they perform and the great responsibility their positions carry.

Uncle Sam is truly the most exacting employer a citizen of this country can serve. From the labor of the post-office clerks the Treasury of the United States receives an enormous revenue, and in return the public gets more service at a nominal cost than is enjoyed from any other public utility in the country; but in recognition of this significant fact what is the attitude of Congress toward the medium of all of this—the post-office clerks? When a man enters the Government service as a post-office clerk he is confronted with an endless and intricate line of duties that no previous experience of his can materially aid him in mastering. It takes him anywhere from one to four years to adjust himself to the work so that he can make any degree of progress. In fact, after about four years of trying ordeals he has bent his mind to scheme study, postal laws and regulations, etc., to such an extent that if the same application and energy was directed and concentrated upon law or any other profession he would be in a fair way to its mastery. As long as a post-office clerk remains in the service he is required

to study, and should he ever sever his connections with the service he would find that all of his post-office experience would serve him to no purpose in any other vocation or pursuit in life. On the contrary, it would invalidate his chances for success, if anything. Every day the farmer learns something new or gains useful experience that increases his income. The grocery clerk gains experience that he can capitalize on later; and in every other occupation you might think of you will find advantages that can be turned to greater account, but of post-office experience this can not be said.

There is no position in this great land of ours that pays so small a salary, where expert and technical knowledge is required, as that which prevails in the post-office service to-day. Night work is but the shadow of the grave.

When you get close to the lives of post-office clerks you will be surprised at the many sacrifices they make. They labor in the nighttime, study schemes in the daytime, and sleep whenever they have an opportunity, and opportunities are few and far apart. There is practically no time left for play, recreation, devotion to family, and social affairs. Of course, the long annual vacation of 15 days gives the post-office clerk a chance to get acquainted with his family, go to church, theaters, etc.

When a man gives his all and best to the work in which he is engaged, the remuneration should be commensurate with the services rendered.

When a man enters the post-office service he can read his future, for the limitations are already stereotyped, and no matter how expert and efficient he may prove to be in his work he can not hope for advancement beyond the limitations fixed by Congress.

Will Congress place a barrier in the line of march of this noble army of postal workers and retard the growth of one of Uncle Sam's most gigantic businesses? No; I believe not. The issue is one too momentous and far-reaching to be passed by lightly.

BERT PERSELL,
Clerk's Box, Post Office, Indianapolis, Ind.

AN INCREASE IN POSTAL REVENUES

The argument advanced by some of those who are opposed to granting postal employees any wage increases is that a further deficit would thus be created. This argument is fully met by Thomas F. Flaherty, secretary-treasurer of the National Federation of Post Office Clerks, who states that a readjustment of parcel-post rates will increase revenues more than enough to insure adequate wages.

This is what Mr. Flaherty says:

The Government has gradually taken over practically all of the short-haul express business and some of the light-freight business through its parcel-post development during the past 10 years. It is the opinion of all familiar with the subject that this business, which now comprises 70 per cent of all mail handled, is carried at a great loss. The principal beneficiaries are the large shippers and mail-order concerns. Statistics show there are eight parcels mailed from the large cities for every one mailed to the cities from the country. Thus it is a myth to suppose that the Government's parcel post is putting the city consumers in direct touch with the country producer.

There is no justification for refusing postal employees adequate compensation and then pay a virtual subsidy to a few large shippers and mail-order concerns. The general public gets no benefit from this policy of hauling express matter and freight at a loss. The volume of mail has increased 500 per cent since 1907, and 70 per cent of this great mass of mail matter is parcel post.

Mr. Burleson reduced the parcel-post rates three different times. They are far too low. The relatively few users of this postal activity should be made to pay for the service they exact. It is estimated that an increase of 2 cents a pound on parcel-post mail will produce ample revenue to cover the increased pay rates carried in the Kelly-Edge bill, which has the support of the employees' organizations.

Postal employees are going to continue their appeal, despite the White House announcement, to the owners of the postal system—the American people. Largely through the efficiency of the employees postal labor costs are lower than ever before. The public is still getting postal service at pre-war postage prices. The employees should not be made victims of a wrongful policy in handling express and freight matter at a loss.

NIGHT WORK IN POSTAL SERVICE

In fixing pay rates for postal employees the fact should not be overlooked that 70 per cent of mail distribution in post offices is performed at night. The baneful effects of night work on the health of the worker as well as the effects upon his home life are graphically set forth by Mary V. Halas, president of the woman's auxiliary of the National Federation of Post Office Clerks. This is what she says:

The woman's auxiliary is an organization composed of the women relatives of the post-office clerks who are members of the national federation. In the main these women are the wives of the clerks, because it is the wife who is most affected by the working conditions

of the husband. This is especially true of the wife of the postal clerk, because his tour of duties for many long years—at least 7, often 12 to 15—is during the nighttime, Mrs. Halas explained.

UNNATURAL FAMILY LIFE

With the husband and father working nights and seeking his rest during the daytime, there exists an unnatural family life. Children have no opportunity to associate with their fathers as they are at play or at school when the father is sleeping. The ordinary social life of their relatives and neighbors is denied them. To the average woman, being alone at night in the home without her natural protector is a fearful experience, Mrs. Halas emphasized. Shattered nerves and indeed real tragedy has resulted in many instances because of hysteria resulting from the strain of her being alone at night for long and uncertain hours. Overtime is frequent and uncertain.

The plan advanced by the great majority of the postal clerks through organization with the National Federation of Post Office Clerks and supported by the women's auxiliary is for a time differential to do away with unnecessary night work. That is that six hours night work shall be considered equivalent to eight hours day duty. All experience in organized trades has shown that the penalizing rate for overtime has much more far-reaching effect than merely giving remuneration for night work. It effectually lessens it, for the supervisory force immediately sets its wits to work to find some other way to handle the pressing volume of work.

STUDY OF SCHEMES

To this hardship is added the disagreeable feature of the study of mailing schemes, which must be done constantly by the post-office clerk on his own time. The major part of his little leisure is taken up in this manner.

There can be little room for the amenities of home life, Mrs. Halas pointed out, for wholesome recreation or inspiring reading in such an existence.

In many instances the post-office buildings are sadly lacking in modern sanitary conditions, the post-office committee well knows from personal observations by individual members. This, with poor lighting systems, means a strain upon the health of the husband and father, which is a source of great distress and worry to the wife, Mrs. Halas stressed.

GETS INADEQUATE WAGE

"To these most undesirable working conditions which reflect upon the families' happiness, for many years, in fact since 1913, has been added a veritable struggle for existence, due to a far from adequate wage," she said.

Mr. SANDLIN. I yield 10 minutes to the gentleman from Texas [Mr. JONES].

THE REPUBLICAN STREET PARADE AND THE G. O. P. CIRCUS

Mr. JONES. Mr. Chairman, during my boyhood days I loved the circus. I would do anything from driving tent stakes to carrying water for the elephant in order to secure the privilege of admission. For weeks before the arrival I would read every circular and every ad which described with graphic detail all of the dare-devil performances, the tight-rope walker, the clowns, and the wonderful trained animals. Day after day and time after time these circulars, with all their lurid language, would be diligently sought, eagerly read, and carefully preserved. As the time approached the circulars became larger, the language more lurid, and the excitement more intense.

Always the circus was preceded by a street parade. Always the circus was claimed to be the world's greatest shows. The elephants were the biggest, the tents were the largest, the wild animals were the wildest, the rhinoceros the most terrible, and the clowns the most clownish in all the tides of time.

But in spite of those old time ads and the rare old circus days I want to call your attention to what is beyond question the greatest of all displays; greater than Hagenback, greater than Barnum, greater than Ringling, greater than all combined. Gentleman, allow me to call your attention to the Republican street parade and the G. O. P. circus.

Nothing like it in the history of the world; no such parade, no such animals, no such humbugs since the morning stars sang together.

In the first cage, furnished in mahogany, swimming in oil, and drawn by six or eight cows, is Albert B. Fall, the Interior decorator. Without hesitation we pronounce him the highest-priced Interior decorator in captivity. Will positively appear in every performance, with all his constitutional privileges intact. This alone will be worth the price of admission.

In the second cage will be Harry Asbestos Daugherty—Asbestos, because he is hard to fire—the political Houdini, also the political hoodoo. This is positively the only specimen in the whole wide world who can sit on the lid when the teapot is boiling, when the lid is red hot, and when the pressure is 5,000

pounds per square inch. This rare animal of the Cabinet type will positively appear in the main show in a blood-curdling act in three invisible rings at once, known as, "Now he resigns and now he does not," with Roxie Stinson as ringmaster. Do not miss the main performance. [Laughter.]

In the next vehicle, ladies and gentlemen, is a rare fowl of the bantam type in a miniature cage, Brigadier General Sawyer. He measures 3 feet from the crown of his head to the soles of his shoes, and 3 feet from the soles of his shoes to the crown of his head, making a grand total of 6 feet. Do not fail to bring your opera glasses and see this feature. He will demonstrate the artistic and painless method of operating on the United States Treasury for \$3,000 per year without a struggle.

The next cage, flecked with burnished gold and costing \$1,000 per fleck, also carrying a teapot for a radiator, will contain the rare type of the genus homo, commonly known as Harry Sinclair. Wherever he goes he carries a satchel, and during the main performance will deliver a lecture on the wonders of Europe during troublous times in America. He will also deliver an eulogy upon the acrobatic proclivities of two of his erstwhile pets.

In the next cage will be found two rare specimens, both of whom are descendants of an illustrious ancestor, and who will do a double pantomime. One of them will read a strictly modernized version of—

The boy stood on the burning deck,
Whence all but him had fled;
But the flames becoming furious,
He also up and fled.

The other will wear a messenger cap and uniform and will continually engage in the delightful pastime of carrying important messages dipped in crude, at the same time guaranteeing to know nothing as to what they contain.

Next in line will be the G. O. P. elephant, somewhat "Wrigley" perhaps, but still able to quiet his nerves, having learned for that purpose the gentle art of chewing gum and having the bruised places massaged with oil. Accompanying the elephant will be the Republicans—regulars, progressives, and mavericks. The regulars will ride the Republican elephant all the time, regardless of which way he is going. The progressives will ride a part of the time and try to lead the balky beast the remaining portion of the time, sometimes giving the animal a vicious kick, but always holding onto the tail as evidence of their party allegiance. The mavericks, being unbranded, help lead when it is popular and will ride the old animal when it is profitable.

The regulars will announce that they believe it is always better to be regular than right.

The progressives will announce that they think it is sometimes better to be right than regular.

The mavericks will announce that they think it is always better to be expedient.

I may add that on the whole, my sympathies are with the progressives. I say sympathy, because they are entirely too good to be Republicans, and not quite good enough to be Democrats.

Following will come the callopie, or steam piano, with our somewhat corpulent, but not altogether unsymmetrical, friend from Kansas as the stellar performer—typical of the prairies and their broad expanse—and trying desperately to drown out the discord prevailing in the other parts of the parade.

Do not miss the parade, which will take place at 10 a. m. on the 32d day of July, rain or shine.

Two performances daily.

Secretary Hughes will feed the animals.

Time will forbid a description of the main performance of this political menagerie de luxe. But it will be the grandest, most gorgeous, and most spectacular performance in the history of humbuggery, and will include such hair-raising features as the Kansas delegation in a mad foot race to the telegraph station—and by the way, I may add that I think that race was for a very laudable purpose. Also, Nicholas, the lion tamer; Begg, the auctioneer; Lasker, the shipbuilder, and Means, the doughboy. LaGuardia will loop the loop. Hill will sell the pink lemonade; Ned McLean will write an editorial in code on "Locating as a matter of 'principal' the elusive Slemp in the social Everglades of Florida—after the curfew has rung." Will Hays will handle the motion-picture rights; Frear will collect the excess profits, and Madden will appropriate the money. The whole layout will bear the inscription, "The only party that's fit to rule." [Laughter.]

The feature performance will be Kareful Kal, the only politician in captivity who has ever been able to hold office for 25 years and always have himself photographed milking a cow or pitching hay when notified of his nomination, and to do it at no other time—thus qualifying both as a magician and a tight-rope walker. This artist from the realm of make-believe, accompanied by the White House cat, will walk an imaginary tight wire while endeavoring to uphold the law in one hand and Harry Daugherty in the other. At the same time, he will undertake to flirt with Wall Street with one eye and fool the farmers of the Northwest with the other. He guarantees to chew gum through the entire performance.

It is claimed that this is the only show in the world carrying nothing but clowns. More details will be furnished later, but in the meantime—

Don't fool with the animals—
Don't slip in the oil, and
Don't miss the main show.

Positively the farewell tour and final performance of the Republican Street Parade and the G. O. P. Circus.

[Laughter and applause.]

Mr. SANDLIN. Mr. Chairman, I yield five minutes to the gentleman from Georgia [Mr. LARSEN.]

Mr. LARSEN of Georgia. Mr. Chairman and gentlemen of the committee, the young ladies who came to Washington to work during the war performed a very splendid service to this country, and are entitled to every reasonable consideration that a grateful people can accord them. I believe they are entitled to more consideration from Congress than they are receiving just at this time. Something was said to-day in a previous part of the debate regarding living conditions at the Government dormitories. I want the attention of the House for a few moments to consider that very important matter.

There was at one time housed in these buildings nearly 2,500 young women; there are at this time something like 1,300. Formerly there were two dining rooms, but recently one of the dining rooms and two buildings for roomers were closed. So at this time they are all fed in one dining room under one management and are housed in less buildings by two. When these hotels were opened in 1919, I believe it was, they were opened to patrons at \$45 per month. They were new and in every way more desirable than they are at this time. They are at this time paying institutions from the Government's standpoint. The girls are paying \$50 a month. For that \$50 per month they receive one small room, with a bed, a dresser, and something like one or two chairs, but there is no kick as to furniture, nor the condition of the rooms. They have both hot and cold running water in their rooms, but the baths, and so forth, are in other parts of the building. They are given two meals a day, consisting of breakfast and dinner, except on Sundays, when it is breakfast and lunch. Several of the girls who room there have made complaint to me. They say the meals are not what they should be; that the diet is not wholesome. Yet they say that about two days out of the week the food is wholesome, and is at that time in every way acceptable.

Mr. SNELL. Does the gentleman know of any place where the meals are always what they ought to be?

Mr. LARSEN of Georgia. I am not acquainted with all the eating places, but there is no reason when a person is paying for food why she should not get good meals.

Mr. SNELL. Did the gentleman ever hear of a boarding house that had 1,300 boarders but that had some complaints registered against it all of the time?

Mr. LARSEN of Georgia. I never knew of a boarding house that was run at a profit by the Government that could not afford to give wholesome meals twice a day.

Mr. SNELL. Does the gentleman know any other place where they can get as much as they can get here for the same money?

Mr. LARSEN of Georgia. I happen to know one young lady myself, who roomed at the Government dormitories, and the food she obtained was such that the doctor treating her told her that the food she ate was not wholesome. There is no secret about that. He told her that the food she was receiving was not wholesome, and she left there in order to regain her health, and she did regain it. The girls who are over there at this time tell me that about two days out of the week they get good, wholesome food, but that the balance of the time the food is not wholesome; that it is not first-class food. I do not know whether that is true or not, but I know that practically every girl makes that statement who has talked to me about it. I say that it is not right for this Government to maintain such an institution when it is making several thousand dollars a year—

Mr. MADDEN. Oh, I beg the gentleman's pardon. I just made an investigation as to that, and here is what it shows: We are paying \$74,000 a year rent now.

Mr. LARSEN of Georgia. I will go into those figures a little later.

Mr. MADDEN. That is rent for the ground on which the buildings stand. Before we had the ground free, except for the taxes.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. LARSEN of Georgia. I submit a statement based upon figures obtained from letter of Mr. Robe Carl White, Acting Secretary of Labor, under date of April 5, 1923, and from other sources.

Net earnings, July 1, 1922, to March 1, 1923—	\$62,165.23
Net earnings, March 1, 1923, to June 30, 1923, based on average for first 8 months—	31,082.64
Net earnings, July 1, 1922, to June 30, 1923 (amount per year, Baltimore & Ohio lease, \$60,000)—	\$93,247.87
Amount November 15, 1922–June 30, 1923 (7½ months)—	37,500.00
Balance on hand July 1, 1923, at old rate after deducting for lease—	55,747.87
July 1, 1923, to February 1, 1924, 7 months based on profit of 1923—	54,394.62
Rent, Baltimore & Ohio lease (7 months)—	35,000.00
Net earnings for 7 months after deducting lease—	19,394.62
Balance on hand February 1, 1924, after deducting for Baltimore & Ohio lease for 14½ months—	75,142.49
Proportionate part of excess appropriation to credit of Government hotels, 1923–November 15, 1922, to July 1, 1923—	15,624.97
Same, 1924, July 1, 1923, to February 1, 1924—	29,162.00
Total to credit of Government hotels, February 1, 1924, after deducting lease for entire 14½ months—	119,929.46

This statement shows that the Government has made a profit on these hotels. I submit that Congress should see to it that the patrons, all of whom are employees of the Government, should be given wholesome food at all times. They should receive rooms and board at a reasonable rate. I do not believe it should exceed \$45 per month—certainly it should not be more than \$47.50 per month.

Mr. MADDEN. We are not making any money, we are losing money.

Mr. SANDLIN. Mr. Chairman, I yield the gentleman two minutes more.

Mr. LARSEN of Georgia. I hope I shall not be interrupted. Here is a statement which shows that the net earnings of this hotel from July 1, 1922, to March 1, 1923, were \$62,165.23; that net earnings, March 1, 1923, to June 30, 1923, based on average for first eight months, was \$31,082.64, making net earnings from July 1, 1922, to June 30, 1923, \$93,247.87, and taking out the \$60,000 for rent, there was a profit of \$33,247.87.

Mr. MADDEN. The rent is \$74,000.

Mr. LARSEN of Georgia. I can not yield any further.

Mr. MADDEN. But the gentleman ought to stick to the facts.

Mr. LARSEN of Georgia. I am stating facts from the hearings. Even by this statement there would be more than \$19,000 net profit.

A few words as to Mrs. Sumner, manager of the hotel: She is paid \$5,000, ostensibly, as the bill provides, but in addition to the \$5,000 a year that she gets it is said she has a nice suite of rooms, consisting of two nice rooms with a private bath, a storage room extra, also her laundry and three meals per day. In addition, we are told, she has a chauffeur, a car, gas, oil, and so forth. She also has a son, Howard Sumner, I believe, about 19 years old.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. SANDLIN. I yield the gentleman one minute more.

Mr. LARSEN of Georgia. They call this "No man's land" over there, but, notwithstanding this fact, the son is over there, and he is also provided with a nice room and three meals per day.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. LARSEN of Georgia. I shall not yield unless the gentleman will give me some time.

Mr. WOOD. I give the gentleman two minutes.

Mr. LARSEN of Georgia. Very well.

Mr. WOOD. I want to say that the gentleman is unintentionally making a misstatement. He refers to this lady, who is conducting this hotel, as having a chauffeur and with reference to her son living there at the expense of the Government. That story has been told over and over again. We have investigated it time after time, and we know it is absolutely false.

Mr. LARSEN of Georgia. Does the gentleman say that her son is not over there? Just answer that, yes or no.

Mr. WOOD. I say that her son is there, but is paying his board just exactly—

Mr. LARSEN of Georgia. I said he was there. He is paying his board, but let me tell you how he is paying it. In the first place, he is not supposed to be there. In the second place, he is reading law out here at Georgetown University. He sorts a little mail that comes in the hotel for the girls, and then he says that he has done his day's work.

Mr. WOOD. That is not correct.

Mr. LARSEN of Georgia. He gets three meals a day. No girl gets more than two, and he has his room and board. What is he paying?

Mr. WOOD. If the gentleman will examine the records—and I can furnish them to him—he will see that they disclose the fact that he pays for everything just the same as anybody else. He does not receive any preference at all in anything that he gets there. His mother is there, of course.

Mr. LARSEN of Georgia. That is the trouble. I am not talking about the record; I am talking about the facts, about the subterfuge in the matter, about this apparent graft which the record fails to disclose. This young man comes down here from Montana to read law, pretends to be employed over there in the service of the Government, sorting out the mail that comes to the young ladies, and laying up in a room, perhaps, with a private bath at the expense of the Government, and not earning what he is getting. That is what I am trying to impress upon the gentleman's mind. It should not be tolerated.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. LARSEN of Georgia. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. Lowrey]. [Applause.]

Mr. LOWREY. Mr. Chairman, I ask permission to extend my remarks.

The CHAIRMAN. The gentleman from Mississippi asks permission to extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. LOWREY. Mr. Chairman, some time ago this House received a petition signed by nearly 400,000 farmers requesting that we pass no bills increasing salaries and in general that we legislate for the reduction of Government expenses and thus make possible the reduction of tax burdens. A request, by the way, which this Congress has poorly regarded.

Again, to-day, I have a communication from a western bank president, expressing the opinion that a large majority of the farmers will break away from present party alignments and cooperate with a third party if this Congress fails to pass constructive measures for their relief. And the serious feature of the situation is that the grievance of the farmer is real. His situation is critical, in many cases desperate, and the responsibility is on us.

Within the last two years 20 per cent of the farms of this country have changed hands, many of them being sold for debt, and many thousands of acres of farm lands have been abandoned because it no longer pays to cultivate them.

It is a known fact that wheat, livestock, cotton, and other farm products have failed to bring the farmer the cost of production, and hence a large proportion of the industrious and thrifty farmers, instead of prospering, have been running into debt.

Prices of cotton have been pretty good this season, but cost of production, with boll weevil and weather conditions, has in many localities more than counterbalanced the prices. We all admit that these farm conditions must be corrected if the country is to have any permanent prosperity.

No matter how railroads, commerce, manufacturing, and building operations may prosper now, none of it can be permanent if agriculture continues to fail. The supreme duty of this Congress is to do the thing that will help agriculture, and to do something effective before we adjourn this session.

I believe it is generally accepted that the most vital thing is to revive foreign markets. Our prosperity depends on agriculture; agriculture depends on foreign markets. Our foreign markets are poor, and we are in a fair way to lose even those we do have.

We need legislation that will improve, stabilize, and make permanent our markets abroad.

And this brings me to the Dial-Lowrey bill, which, I believe, if passed will be a great help in the right direction.

On the fifty-eighth page of the hearings on the bill now under consideration Colonel Miller, the Allen Property Custodian, tells us that of alien funds we hold \$179,000,000 cash; that it may be some years before any final disposition of this is made; that a number of the former owners of these funds are men who once were in the market for American raw materials and are now prevented from resuming this friendly trade relation because their money is thus tied up; and that he believes some scheme ought to be devised by which these funds can be put to use for the mutual benefit of all of the parties concerned.

Colonel Miller further says that looking to this end a number of conferences have been held among Senators and Representatives of southern constituencies and that he has had two informal conferences with them.

I have taken the floor to discuss this plan and the bill now pending which grew out of these conferences. As many of you know, we southern Members, like the western Members, have been greatly concerned on account of the distressing agricultural conditions in our districts. We have held a number of meetings to discuss the situation. At one of the last of these meetings the question of the utilization of the alien property funds for agricultural exportation was broached and a committee was appointed to examine into the matter. This committee consisted of Senators DIAL, of South Carolina, and STEPHENS, of Mississippi, and Representatives TILLMAN, of Arkansas, ABERNETHY, of North Carolina, and LOWREY, of Mississippi.

At the Department of Commerce recently I was told of two things that had been said by commercial leaders in Germany to our American representatives. First, one had said:

If we could have arranged to pay for it, Germany would have used this year 50,000,000 bushels of American wheat more than we did use.

Another had said:

We want large quantities of American cotton, and are ready to buy it if some trusteeship can be arranged under which we can pay for it after we have manufactured it into marketable goods.

Now, look at that situation. They need these products to open their industries and feed their starving people. We have the products and our people are suffering seriously; many of them are actually going hungry and ill clothed for want of a market. We hold millions of their money in trust. If we can not work a situation like that out, then where is our boasted business ability and our statesmanship?

The committee of which I spoke has worked out a bill. We know that it is not a perfect bill, but it at least forms a basis for action. Senator DIAL introduced it in the Senate. I had the honor to introduce it in the House. It provides for an alien property trade investment corporation, consisting of the Allen Property Custodian, the Secretary of the Treasury, and three other members.

The capital stock of the corporation is to be not more than \$150,000,000, all of which is to be subscribed by the Allen Property Custodian and is to be subject to call and withdrawal from the Treasury on a vote of three-fifths of the board of directors of the corporation and with approval of the Secretary of the Treasury, at such time or times as may be deemed advisable.

This corporation shall be empowered to make advances and give credits to concerns purchasing raw agricultural products in the United States, but in no case to be expended without the United States. Every advance or credit is to be adequately secured and interest is to be not more than 6 per cent. Except in the case of foodstuffs the security shall include a lien on the materials to continue through the process of manufacture till the purchase price is liquidated in American dollars.

Mr. LAZARO. Will the gentleman yield for a question?

Mr. LOWREY. I would rather not yield for there will be further hearings on this bill and it will be fully discussed before the House. I have only 10 minutes in which to make an outline.

Mr. LAZARO. I desire a little information relative to this.

Mr. LOWREY. Ask quickly.

Mr. LAZARO. Does this money belong to individuals or to the Government?

Mr. LOWREY. It belongs to individuals. And in the bill there is a provision about that which I shall not take the time to discuss now. I wish I had time to explain it to the gentleman.

This lien plan, by the way, has already been successfully worked out in Europe and has turned to other countries millions

of dollars of German business which America needed, as we also need the commercial ties, which these other countries are securing at this critical time.

At no time shall loans on stuffs which can not be followed by a lien exceed \$27,000,000, that being the amount of interest that has already accumulated on the alien property funds. This is to prevent possible losses from cutting into the principal. And if at any time loans overdue amount to more than \$7,500,000 all loans shall cease until the situation is cleared. Not more than one-half of 1 per cent of the authorized capital stock shall be loaned at one time to any one person or concern. There are a few things so obvious that they need only to be stated, not to be argued. First, America is dependent on her agriculture. The total value of our farm investment is about \$75,000,000,000. The total value of our farm products averages about \$12,000,000,000 annually. Approximately half our population live on the farm, and is solely and directly dependent on farm income for a livelihood. Our manufacturing industries represent an invested capital of about \$45,000,000,000. The total value of its products is about \$62,000,000,000, of which \$37,000,000,000 is for raw material and \$25,000,000,000 is added by manufacture. About 11,000,000 persons are engaged in manufacture. Thus agriculture shows a gross return of about 16 per cent annually on its invested capital, while manufactures, considering the amount added to the value of raw material by the process, show a gross return of about 55½ per cent.

Further than that, agriculture exports approximately 14 per cent of its total produce, while manufacture exports less than 3 per cent, the figures being \$1,874,000,000 and \$1,911,000,000, respectively. In other words, agriculture is dependent on foreign markets for its price levels, while manufacture is dependent on domestic markets.

Hence the failure of active foreign demand is ruinous on agriculture but does not directly affect manufacture. Normally, it would affect manufacture indirectly, but the present influx of foreign gold has staved off the reaction on manufacture.

Thus for the time being American industry is immensely prosperous, thanks to an abnormal condition in the world's money market, which is, of course, purely temporary. When this condition passes off and American industry again finds itself dependent on agricultural exportation for the importation of foreign wealth, then will come the deluge. If industry is wise, it will join with agriculture in preparing against that day. Industry can not depend on the exportation of our mineral raw materials for the support of our foreign trade and the importation of foreign wealth which is necessary to healthy economic conditions. Agricultural production is like knowledge; the more we send out, the more we have at home. Mineral resources are like gold in a box; when it is taken away there is no more in its place. It is clearly to our advantage to maintain our foreign markets for agricultural products, and just as clearly to our ultimate disadvantage to encourage the large exportation of our mineral products.

The fact is that we are in grave danger of losing our foreign agricultural markets. It is not far from the mark to say that we have already lost them temporarily, and that we are in a fair way to lose them permanently. For a hundred years we have been producing cotton and meat for the world. Together with Russia, we have been producing the world's supply of wheat. We have had no competition. We have had unlimited land, and we have attracted unlimited immigration, or man power. Hence we have built up a great, protected industrialism based on an agricultural monopoly. Now all of that is in process of change. There is no doubt about the fundamentals in this matter. America has absorbed the world's supply of gold. With a high tariff wall, we have forbidden the rest of the world to sell to us. That is equivalent to forbidding Americans to sell to the rest of the world. By a policy of restrictive immigration, which I favor on moral and not on economic grounds, we have forbidden the Old World to send us its surplus man power. Hence the Old World has turned to Canada, Latin America, Asia, Africa, and Australia for its raw materials and with its emigration.

South America and Africa have developed more in the past 5 years than the United States ever developed in any 15 years of its history. Unless all indications are wrong, they are only beginning a development that in extent will be as great as our own has been, and in point of time will be faster than our own, as the railway and the motor truck are faster than the prairie schooner. Until now we have never had any real competition as the producer of the world's raw material. We are just entering on a period of competition that will be a real test for all our boasted commercial acumen. The answer lies in whether

American industry learns to cooperate with agriculture instead of riding it.

This measure and all measures of its kind offered are only temporary measures. It will take time to enact measures which will really get at the heart of things and provide a permanent basis for sound strength. But sometimes it is necessary to use artificial stimuli to tide over a crisis. We can not permanently hold European markets unless we make fundamental changes in our systems and our attitudes. That will take time. But we can keep these markets from getting away from us ad interim by so simple an expedient as offering Europe credits with which to buy from us. If we delay, Europe will gradually come to where she can furnish her own credits, and when that time comes the whole opportunity will have passed. All we can do, then, will be to contract our agricultural production to domestic consumption at a loss of many billions of dollars on our farm investment with all the accompanying misery and desperation that this will entail. They talk to us about diversification. Of course, there must be a measure of diversification. But it is the tomfoolery and twaddle of uninitiated amateurs to say that diversification will really cure our agricultural ills. It will greatly help individual farmers, and local conditions. But diversify all you please, our money crops must still be cotton and grain, and we can not possibly consume as much cotton and grain within the country as we produce unless many of our fields are to be left idle.

The present bill does not profess to be more than a temporary measure to tide us over for two or three years so that we can keep a grip on our markets and save the American farmer from the immediate ruin he faces.

Will it serve the purpose? I believe it will help. [Applause.]

Mr. RANKIN. Mr. Chairman, when Mississippi was first admitted to the Union there emigrated to that State possibly the most brilliant galaxy of young men who ever adorned or enriched the citizenship of any commonwealth. Among them was a man of my own name, though not a relative of mine, so far as I know, the Hon. Christopher Rankin, who served that State as its only Representative in Congress from March 4, 1819, to March 14, 1826.

One hundred years ago to-day he delivered an address on the floor of this House in reply to Henry Clay on the tariff question and was in turn replied to by Daniel Webster, of Massachusetts. I am attaching as a part of my remarks a report of that speech as it appears in the Annals of Congress. It is very interesting, indeed, in the light of present-day conditions and also as illustrative of the struggle that was being waged by the friends of democracy and their opponents in the early part of the last century.

A lapse of 100 years, disturbed as our people have been by internal strife, civil war, reconstruction, and the mad rush for wealth and power, has more or less obscured the records made by those distinguished pioneers who helped to lay the foundation of the Republic. The people of Mississippi know little of the life and character of Christopher Rankin, although one of its leading counties bears his name; and for that reason I have ventured to impose upon the House and to place in the Record some of the principal events and accomplishments of his career.

He was born in the State of Pennsylvania and educated at Cannonsburg. After receiving his diploma, he first went to Georgia, where he taught school for a short time, during which period he studied law. He then removed to Mississippi, where he began the practice of law at Liberty, in Amite County, in 1809. In 1816 he removed to Natchez and became the partner of Hon. Charles B. Green, a very eminent lawyer, who very soon after retired and turned his practice over to Mr. Rankin. In 1817 he was elected to the constitutional convention and took a leading part in framing the first constitution of the State. He came out of that body with such enviable reputation that when the first legislature met his friends placed him in nomination for the United States Senate. He was unsuccessful in that contest, but was elected to Congress the next year. In 1820 he was opposed for reelection by the Hon. George Poindexter, who was considered invincible. Mr. Rankin was reelected, however, and his first speech on the floor of the House after he returned to Washington made for him a nationwide reputation. That address was on what was known as the Missouri bill, and was delivered on February 15, 1820, as is shown by the Annals of Congress, volume 16, part 2, page 1333, in which he referred to America as the "last asylum of the oppressed, the only resting place of liberty, exiled from every other portion of the world."

This was during the era of good feeling, when Monroe was President of the United States and when party lines had been

obliterated. The records fail to show, so far as I have been able to find, any pronounced affiliations on the part of Christopher Rankin with any of the national parties that had existed up to that time, but we find it stated on page 617 of volume 17, part 1 of the Annals of Congress of January 2, 1822, that he was opposed to any inquiry looking to the censure of Gen. Andrew Jackson for his invasion of Florida, which in its effect, he contended, could only extend to a censure of one of the parties.

Such an object, he said, was too small to engage the time of the House in an elaborate investigation. It appeared evident that an impeachment against General Jackson could not be sustained. A nondescript government had been organized for West Florida. It was, to all intents and purposes, a Spanish government, and depended upon principles neither suited to, nor adopted in, the United States. The only result likely to accrue from this inquiry was a laborious and protracted investigation, of which the only result would be that one might be shown to be right and the other wrong without the power of inflicting any punishment upon either, except, perhaps, an expression of censure.

The last paragraph of Mr. Clay's speech on the tariff delivered on April 1, 1824, as is shown by volume 18, part 2 of the Annals of Congress, page 2001, together with Mr. Rankin's reply, is also inserted as an extension of these remarks.

Myriads of speeches on the tariff have been delivered in Congress since that day, but I dare say that none of them has surpassed in brilliancy and power the efforts of this stalwart Representative from Mississippi.

During the term of his service in the House he appointed Jefferson Davis, the great chieftain of the Confederacy, to the Military Academy, thereby starting on his great career the most illustrious of all the South's great men and possibly the greatest exponent of Anglo-Saxon civilization this world has ever known.

In 1819 Mr. Rankin was elected grand master of the Masonic Lodge of Mississippi, and served that great institution with such distinction that his name is yet revered and honored by the Masons of his State.

The file of the Natchez Gazette of May 25, 1825, tells of a "Dinner to our Representatives in Congress" given in that city on May 20 of that year, and attended by David Holmes and Thomas H. Williams, the two Senators from Mississippi at that time, and Christopher Rankin, the State's only Representative in the lower House of Congress, at which Mr. Rankin gave a toast in these words:

The State of Mississippi, great in territorial limits, destined to be greater in population and resources as she is now in virtue and magnanimity, when the savage shall no longer hold the fairest portion of her soil, a wilderness where he can roam a few more years until his nation has wasted away.

Shortly after he was elected to his fourth term his health began to fail, and he was unable to attend the sessions of the House during his last days. He died on March 14, 1826, and was buried in the Congressional Cemetery, in the city of Washington. The following extract from the Annals of Congress, book 3, volume 2, part 2, page 1682, recites the announcement of that fact in the House by one of his colleagues, Mr. Owen, of Alabama:

WEDNESDAY, March 15, 1826.

After the reading of the Journal, Mr. Owen rose and announced to the House the death of the Hon. Christopher Rankin, the Representative from the State of Mississippi, in the following terms:

Mr. Speaker, the painful duty of announcing to the House the death of the distinguished Representative of the State of Mississippi has devolved on me. I do not, I can not, attempt a panegyric on the memory of the deceased. His death is a national calamity. He was, sir, a statesman, a patriot, and an honest man; his loss to his State is irreparable; his place here can not easily be filled. Virtuous, philanthropic, and charitable, all who knew him were his friends—enemies he had none.

Whereupon, on motion of Mr. Owen, the House came to the following resolutions:

Resolved unanimously, That the Members of this House will testify their respect for the memory of Christopher Rankin by wearing crape on the left arm for 30 days.

Resolved unanimously, That the Members of this House will attend the funeral of the late Christopher Rankin to-morrow at 12 o'clock.

Resolved, That a committee of arrangements be appointed, and the Senate be notified thereof.

And then the House adjourned

THURSDAY, March 16, 1826.

This day was devoted, by both Houses of Congress, to funeral solemnities consequent on the death of Mr. Rankin.

Thus passed one of Mississippi's leading pioneer statesmen, whose record as a private citizen and a public servant should be an inspiration to those who live hereafter.

His speech on the tariff, to which I referred, is here inserted as a part of my remarks.

SPEECH OF HON. CHRISTOPHER RANKIN, OF MISSISSIPPI, IN THE HOUSE OF REPRESENTATIVES, APRIL 1, 1824

Mr. CLAY. From some of these, or other causes, the bill may be postponed, thwarted, defeated. But the cause is the cause of the country, and it must and will prevail. It is founded in the interests and affections of the people. It is as native as the granite deeply embosomed in our mountains. And, in conclusion, I would pray God, in His infinite mercy, to avert from our country the evils which are impending over it, and, by enlightening our councils, to conduct us into that path which leads to riches, to greatness, to glory.

When Mr. Clay had concluded, Mr. Rankin, of Mississippi, rose and spoke until past 3 o'clock, when he gave way for a motion that the committee rise, and the House adjourned.

THURSDAY, April 1.

THE TARIFF BILL

The House then went into Committee of the Whole on the state of the Union on the bill to amend the several acts laying duties on imports, Mr. Condict in the chair.

Mr. Rankin resumed and concluded the speech he commenced yesterday on the general principles of the bill. His remarks are given entire, as follows:

Mr. Chairman, I must leave to others the admiration of that wonderful system of policy adopted by England, which has raised her national debt to the enormous sum of £800,000,000 sterling, the interest of which is £30,000,000 per annum, a system which by prohibitions and attempts to protect her manufactures, as I shall presently show, has made a large portion of her people paupers, and which compels her to pay annually for England and Wales only in the support of the poor £6,000,000, a sum exceeding in amount the whole revenue of the United States; a policy which requires her to put a tax on malt, beer, and spirits distilled from grain, with the addition of leather, of £9,150,000; a policy which compels her, with a population one-third less than that of France, to raise a revenue of £44,000,000 for the support of government, while France meets her expenses by a revenue of £37,000,000, when it ought, having regard to her population, to be nearly £60,000,000; a policy which requires everything to be taxed except the air her people breathe. Others may admire this wonderful system and "that stupendous monument of human wisdom, the British constitution," but I hope to be permitted to look with humble admiration on the Constitution, the institutions, and policy of my own country; a policy which in less than half a century has elevated us to a pinnacle of happiness and prosperity which no nation in Europe has reached in the slow progress of more than 10 centuries; a policy which leaves men to pursue wealth and happiness in that way which is most agreeable to them, protected but not oppressed by legislation; a policy which does not propose to tax one portion of the community for the benefit of another; does not attempt to force into existence things for which we are not prepared; does not subject a man's home to the inquisitive and odious search of the excise-man, or waste the fruits of his industry for the tax gatherer, but which protects all classes in their lawful pursuits and fosters industry everywhere. Gentlemen may, if they please, call this "foreign policy" a "ruinous system." I have no hesitation in avowing myself its advocate. I am also an advocate for the purchase of an article manufactured by foreign hands when I can procure it for a price one-third or one-half less than that manufactured in my own country. I do this, first, from a principle which governs almost everyone, because it is my interest to do so; and, secondly, because it is the interest of the community to which I belong. The public interest is but the aggregate of every individual interest in society. I am not the advocate of any system the design of which is to make men wealthy without capital, industry, or economy, by imposing taxes on some more prosperous or industrious portion of the Nation.

The South, sir, said Mr. R., has been often mentioned in the course of this discussion, and the patriotism of the South has been appealed to with peculiar force. What does the South demand of Congress? Only that her capital and industry may not be taxed for the benefit of some other section of the Union. She asks not that the North and the West be taxed for her benefit (as has been alleged), but to pay her proportions of the public burdens, as she necessarily does, by paying her portion of the duties imposed for the purposes of revenue, on the articles of foreign manufacture she consumes. It is the excellency of our system of collecting revenue that it is wholly immaterial whether the duty be collected in New York, Philadelphia, or elsewhere; every individual pays his portion of that duty on the article he consumes—no matter where his residence may be—he pays no more—he can pay no more. The allegation, therefore, that the North and West

are taxed for the benefit of the South is without a shadow of foundation. The charge that our policy compels the freemen of the West to become "the slaves of slaves," comes very ungraciously from the honorable Speaker, many of the products of manufactures of whose own State, and perhaps of his own plantation, pass through the hands of slaves, and to the use of which we might object, if the objection be a good one, and prefer the productions and manufactures of Ohio and Indiana, or those of the North. If the article or commodity suits the purchaser, both in price and quality, there can be no propriety in inquiring by what hands it was produced or manufactured; nor do I presume the gentleman himself would stoop to make such an inquiry.

The picture, said Mr. R., drawn by the Speaker, of the condition of our country, if true, would be melancholy indeed, and might strongly urge the interposition of Congress for the relief of all (with the exception of the manufacturing interest, which I think he admits to be rather more prosperous than any other), could any general system of relief be devised. Such a gloomy picture, if confined to this House or to this Nation, would be harmless, I am sure, because no one would discover its resemblance to the actual state of things. But foreign nations may believe it, and sympathize with us.

Much of the gloom is, however, removed by his admission that the necessities of life, for which the poor of other nations are suffering, are everywhere here in great abundance; so abundant that they can neither be consumed nor sold but are actually rotting in the barns and granaries. He represents the prices of cotton, rice, and tobacco, the great staples of the South, as rapidly declining also, and consequently it will be unnecessary to adopt a course of legislation to reduce us more rapidly to the common level of distress. We must necessarily adapt ourselves to the state of things which exists, and may hereafter exist, and not endeavor, by mere legislation, to create wealth and capital where none exists. Of this system of legislation I had supposed a portion of the West, at least, had received sufficient information from their own experience to condemn it and even make it horrible. It was not sufficient that they had the means of living and becoming wealthy in the ordinary way, but they must become wealthy by the creation of banking institutions and large issues of bank notes, which gave a fictitious value to everything; destroyed credit; called for a suspension of the collection of debts in the ordinary way; ruined individuals; all of which was consummated with general calamity, if not disgrace. From such a course of legislation I wish the General Government, at least, to be exempted. The remedy consists in men conforming themselves to the existing condition of affairs, and which they will soon do, if undisturbed by vain and deceitful attempts to relieve them, all of which but sink them deeper in the abyss of misery.

I regret, said Mr. R., that this bill, calculated so deeply to affect all the interests and every class of industry, had not reached this House through the ordinary channel. It has been customary in such cases to receive a report of the probable effects of such a measure upon the revenue and industry of the country from the officer who presides over its finances, accompanied by statements of such rates of duty as might be expedient or proper. For such a duty the officer who directs that department ought to be, and no doubt is, better qualified by information and a knowledge of the experience of this country and of other countries than any individual Member whose pursuits in life may have been diversified and not much directed to the investigation of such subjects. Such a report should also have passed under the revision of that committee which examines the ways and means of the Nation. But what have we presented for our adoption? A bill reported by a committee on manufactures, the professed object of which is to protect manufactures. Thus one class of industry assumes the privilege of saying to every other what amount they shall severally contribute to its support. Such a state of things is necessarily calculated to awaken suspicion, distrust, and alarm. But on this subject we are not left to suspect the design of this measure from its name and its source, as it bears the impress of its character in almost every feature which belongs to it. Many, and indeed most, of the duties proposed amount to an immediate or at no very distant day a prohibition of the foreign manufacture; and the gentleman at the head of the committee on manufactures has had the candor to avow that such was its object. Against such a system I must protest.

I shall not, Mr. Chairman, said Mr. R., attempt to establish the unconstitutionality of this measure, but will leave that point to be discussed by other gentlemen. With those who believe that under the power "to collect taxes," "regulate commerce," or "lay imposts" we have the right to tax every other class of industry to force into existence a particular interest, it would be useless to argue, as they have found, and are determined to exercise, the power. I regret to say, sir, that I never have since I have been in this House found a majority of this body desirous and determined to exercise a power that they have not found such power, if not in the letter of the Constitution, in the spirit of it; if not in the spirit, in what have been very appropriately called "the vagrant powers of the Constitution."

There are some truths, sir, in political economy, as well as in mathematics, which derive but little force from illustration and only require to be stated to be believed. Such, I humbly conceive, would be the declaration that all violent attempts to regulate and direct the pursuits of industry in society must produce an unnatural state of things. I know society is itself an artificial body compared with the savage state, which is the natural one. By the natural state of things I only mean that where there is no attempt by law to regulate and direct the pursuits of men from those occupations and employments which they believe most advantageous. As the natural body is in the best condition when neither stimulants nor depletion is required, so is the political body the most sound and healthy where there are the fewest attempts to force industry from its ordinary and natural course. The proposed system leaves nothing to the discretion and discernment of men, nothing to its natural course. It is also true—and the Speaker admits that truth—that capital, if permitted, will always find its place of profitable employment as naturally as water will find its common level. From the spirit of enterprise in this country, and the few habits we have to subdue, this truth is peculiarly applicable to the people of this country.

What portion of the habitable globe; what howling wilderness, no matter how remote; what ocean, no matter what its depth; or what climate, no matter how inhospitable, has not been visited by our adventurous people in pursuit of wealth? Even the depths of ocean have been made tributary to their wishes in this pursuit. This bill proposes to direct the employment of capital, and leaves nothing to individual discretion. What, again, can be more true than that free importation produces lowness and uniformity in the price of everything we desire to purchase by inviting competition and enabling you to purchase from those who can produce or manufacture cheapest? In this way you are not sensibly affected by the changes of season or the destruction of crops, nor are you subjected to the extortion of those from whom you have no alternative but to buy at their own prices. It would perhaps add a pang to those of death to be murdered by the hand of a friend; and there can be but little satisfaction in knowing that you were robbed or taxed unnecessarily and improperly for the benefit of professed friends instead of by those indifferent to your fate. This bill does not permit you to buy where you can buy cheapest and sell where you can sell dearest but compels you to purchase at any price the domestic manufacturer may please to demand.

Will you not protect your own industry, your own manufacturers? has been echoed in every part of this Union, and often within the walls of this House. Yes; I will protect, so far as my vote goes, every species of industry but no one exclusively. But let us understand the meaning of this word "protection," which has been latterly used to signify anything but protection. When foreign governments give a bounty on a manufactured article when exported, and the duty imposed by our Government does counteract the effects of that bounty, we are strictly protecting our produce or manufacture by imposing a duty that will prevent foreign producers or manufacturers from competing in our own market and with our own producer or manufacturer on terms of advantage. We also protect our industry or manufactures when we impose a duty to prevent foreigners in our immediate vicinity from coming into our market with such produce as we raise in abundance, when their proximity to our shores, by subjecting them to but little expense, enables them to come here and compete with our own people on equal or nearly equal terms.

Such is the effect of our legislation in relation to the fisheries and the duty we impose on foreign sugar and cotton. The discriminating duties on tonnage has had also the effect of protecting our shipping against the regulations of foreign nations and the competition of their seamen. In some cases it happens that your policy or your laws have created institutions and forced the investiture of capital in manufactures or otherwise, and, in all such cases, the Government can not, consistently, at once abandon its course, by which ruin would fall upon a class of citizens invited to particular pursuit by existing laws, and resting on the faith of the Government. Some things in the tariff of 1816 were doubtless affected by this principle. But when an adequate protection is afforded, even by adventitious circumstances, there can be no necessity for claiming the interposition of the Government for anything beyond that adequate protection, and there is no propriety in the interference of the Government in such a case. The present duty laid upon foreign manufacturers for the purposes of revenue is estimated by those familiar with those subjects to amount, on an average, to 40 or 50 per cent and would doubtless give adequate protection were we prepared to manufacture. On some things the duty is 7½ and on others 200 per cent. When you add to those duties the price of freight from the place of exportation, with insurance, commissions, and the various profits and charges, before they reach the consumer, the price is greatly enhanced from the original price of the manufacture. From this duty, together with freight, insurance, etc., the domestic manufacturer is exempted, and it necessarily operates as a premium to him of that amount, as he can add all those things from which he is exempted to the price of everything he manufactures and sell at the same price as the foreign

manufacturer. This is an indirect tax on the consumer and is not noticed. It is a protection not to the industry of the farmer and planter, who does not believe when he purchases an article he wants of the merchant, that if his own manufacturers were at all prepared to manufacture, they ought to be able to sell it to him one-fourth or one-half cheaper; and that one-fourth or one-third, and, in many cases, one-half of the price he pays for an article, operates as a premium on domestic manufactures.

When these facts are disclosed, the plain common sense of every man would induce him to say at once, "Why, these people are already sufficiently protected." Whence, then, this cry, "Will you not protect your own industry, you own manufactures?" It is all a delusion. Public men instead of joining in that cry should say to the people, "Your manufactures are already protected by a duty averaging 40 or 50 per cent, and if they can not succeed with such protection it is evident our country is not prepared to manufacture. When our millions of acres of unseated lands are populated, and it becomes an object to find employment for a portion of our people who can not be employed in agriculture, and when the price of labor is reduced to something like the price of labor in Europe, we shall then manufacture; but until that period arrives it is vain to attempt to force them over obstacles they can not surmount." Those manufacturers, they might say, by protection mean prohibition, and that foreign manufactures must be excluded by high duties to enable them to obtain the monopoly of the market.

In the further prosecution of the examination of this interesting subject and for the purpose of showing the effects of such a system on the whole community I have, Mr. Chairman, proposed to examine its effects on the commerce, the agriculture, the manufactures, the revenue, the morals, and the liberty of the country. If no one of these great interests can be promoted, as I shall attempt to show, by the passing of this bill, it most certainly ought to be rejected.

Commerce, sir, said Mr. R., deals in the exchange of the raw material, the money, or the manufactured articles of one country for those of another. If we continue to exchange with other nations, as heretofore, no protection is afforded to our manufactures, for what ceases to be consumed ceases to be imported; and, in proportion as we substitute our own for foreign fabrics, our commerce is diminished; so far as the present bill goes, and it goes far enough to exclude the most of the foreign manufactures we want, it excludes them from our market, which exclusion must be followed by almost the total annihilation of our commerce. But it has been said that "if we export we will import." We have heretofore imported necessities, and, I presume, according to the new doctrine, we shall import something which is not necessary, and which we can not use. If it be true that "if we export we will import," it must be equally true that if we cease to import we shall cease to export, and that importation and exportation keep pace with each other. The bill proposes to diminish our importations and force us to consume our own productions and manufactures, and consequently most seriously affects our commerce. The number of persons to be affected by this change is considerable, and they are a class of people whose labor and industry ought not to be sacrificed to promote those of the manufacturer, who less deserves your protection. In this branch of industry, which has arisen without your protection, except so far as I have stated protection was strictly due from the Government to its citizens, there are estimated to be 40,000 mariners employed, and in the various employments of shipwrights, boat builders, sailmakers, chandlers, etc., 250,000, making an aggregate of 290,000 persons.

The greatest number which the Speaker could find employment for under his new system, and that number much exaggerated, as must be evident from a knowledge of the powers of machinery, was 500,000 persons, and those must be employed by the loss either immediate or ultimate of something like \$7,000,000 of our revenue. Is this just? Is this right? In this experiment you jeopardize, if you do not destroy, as is probable, upward of 800,000 tons of tonnage engaged in the foreign trade, and which produces annually, of national wealth, by mere labor, about \$70,000. A considerable trade is carried on from the North to the West Indies in lumber and the various products of the soil, which is supposed to be worth about \$150,000 per annum, and a trade in ice, which requires no capital, brings to the country \$100,000. In return for these, the various products of the West Indies are imported to the United States. The proposed duty on molasses, fruits, and spirits must utterly destroy this trade by its prohibitory action. Who does not remember that in the last war, when treachery, defeat, and disaster attended our first efforts, or when at best but doubtful success crowned the most brilliant achievements of our arms, the rapturous enthusiasm that filled every bosom at the victories achieved by our Navy? The gallant spirits who covered themselves and the Nation with glory; exalted us in our own estimation as a people; made every man, when in a foreign country, lay his hand on his breast, and proudly say, I am an American citizen, where, but shortly before, he concealed himself with shame, and established for us a name and an elevated standing among the nations of the earth, were not reared

amidst the fumes of the oil and the noise of the machinery of a manufactory. They were "children of the deep, and nurselings of the storm"; their home was from infancy on ocean and "their path the mountain wave." There they had learned to discharge their duty—to contemn danger, and disregard death. The school for our Navy, for which there can be no substitute when our commerce is destroyed, gentlemen, would destroy and erect on its ruins a thing, as yet in this country unknown—the untried system of forcing into existence manufactures.

Commerce is the handmaid of agriculture and manufactures, and bears their surplus to other countries for a market. Without it, no nation has flourished from the time of Carthage, of Venice, and the prosperous periods of the Spanish nation down to that of England, which has excited the admiration and called forth the eloquent eulogium of the Speaker of this House. Carthage and Venice, it is true, perished in consequence of the prosperity they attained by commerce; but from the causes of their destruction we are happily free. Carthage was but a speck on the margin of the Mediterranean, and Venice like an excrescence from the ocean. The enemy had but to strike a single part of either and the whole was destroyed. The rock of our strength is a widely extended country and a vast preponderance of population whose pursuits are agriculture. While that state of things exists we are secure alike against domestic faction and foreign invasion. When a large proportion of our population shall have engaged in commerce and manufactures, and especially in manufactures, the stability of our Government will be diminished. A due proportion of a well-regulated commerce brings to a nation the arts, the improvements, and the science of every nation with which it has intercourse. This commerce, which deserves so well the protecting hand of the Government, and which is represented by Mr. Speaker to be in a most languishing and deplorable situation already, ought not certainly to receive from the parental hand of the Government this decisive and fatal blow at its existence.

The mainspring of agriculture and industry is a market in which we can exchange our surplus produce, our money, or our manufactures for those of other countries. If the maxim of Mr. Speaker be true, that if they buy, "of us nothing, we can buy of them nothing," it must be equally true that if we buy of them nothing they can buy of us nothing. It is a good rule that works both ways. The object of this bill is, so far as possible, to force us to be independent of other nations and produce the manufacture for ourselves. It is impossible that other nations can pay us in specie \$47,000,000, which was the value of the exports of the United States to foreign nations the last year, and which must annually increase if they were so disposed.

They have been enabled to trade with us, especially England, because we received her manufactures in exchange for our raw material; and when we destroy or mutually diminish that exchange, she can not, nor would it be her interest to, pursue that unprofitable trade. She will, of course, seek a market where she can trade to advantage. That she will find, in South America and elsewhere, where cotton, the raw material which she most wants, is raised in great abundance, and where her manufactured articles will be in demand. We shall thus, by our policy, find the means of diverting from ourselves our most profitable trade. This exchange with England, if not wholly destroyed, must be much diminished by the operation of this system. She is supposed, in the last season, to have imported 420,000 bales of cotton; and the amount returned to us, in manufactured articles, after deducting for waste, is only estimated at 40,000 bales, which leaves 380,000 bales to be consumed elsewhere. This she was able to purchase by the addition of the labor to that portion of the raw material returned to us manufactured; but the object of this bill is to exclude the manufactures, and with that, consequently, to destroy their means of purchasing. If the home market were a substantial substitute for this loss, we should have no reason to complain; but it is evident it can not be. England now manufactures 380,000 bales of cotton for her own use, and for the use of those with whom she trades, exclusive of the 40,000 bales returned to us manufactured. We can not, then, expect a home market for more than 40,000 bales out of 420,000, as we have no market for any more, if manufactured, as we can not, requiring high protecting duties at home, in addition to the present high duties, to enable us to compete with her in our own market, expect to vend our manufactures in Great Britain or any other place where she trades. This all tends to show the impolicy of changing a system when the change would so seriously affect one of our best articles of exportation. The evil effects of such a measure would not be confined in its operation to that portion of the country immediately affected by it; but, as the South is dependent on the North and West for implements of husbandry, and all the means of subsistence, would necessarily destroy the market now opened to them, by destroying our means of purchasing and by compelling us to use those means which God and nature have placed within our reach of supplying our own wants from our own lands. The idea of a home market, for either our produce or manufactures, to any considerable extent is most fallacious; it has no foundation in reason or truth but is calculated to delude and deceive the people.

This terrapin policy suits no nation with such varieties of soil and climate, such a spirit of enterprise, and such immense resources as the American people possess.

We are, said Mr. R., necessarily an agricultural people, and many portions of our country must remain so for years to come. This proceeds from the nature of our country, which differs from the densely populated portions of the Old World in affording to industry the enjoyment of the most fertile lands at reduced prices, and from which a great abundance is produced with but little labor. The price of labor is governed by the price for which the inferior soil can be cultivated, where they are compelled to cultivate such soil. The American farmer can with the same labor grow more grain than the farmer of any other nation. Hence he can better afford to pay from 20 to 50 per cent on goods of foreign manufacture than have his attention directed from agriculture to domestic manufacture. This state of things will pass away when our population becomes too dense to be supported by the cultivation of the best soil, and to be employed in commerce. Whenever that period arrives we are then, and not until then, prepared for manufacturing.

The corn laws of England, which prohibit the importation of grain except when the scarcity very nearly produces famine, had their origin in the protection extended to the manufactures of silk and lace, which are now considered unimportant branches of their manufacturing establishments. The agriculturist demanded of his government a similar protection to that given the manufacturer. This protection, so reasonable when the system was commenced, she was compelled to give, and hence the corn laws. This whole system she would abandon if she could, or if she dare. A bad system when once created by government can not be readily abandoned. [Here Mr. R. read from Lowe's new statistical work, Appendix, page 33, a passage to show the correctness of his statement as to the origin of the corn laws, and the opinion of writers on political economy, as to their injurious effects.]

What would be the effect of free trade on England herself, provided her ports were opened to the agricultural products of other nations, and especially those of the United States? She would not then be reduced to the necessity of cultivating inferior soil, where great labor receives but little reward and keeps up the price of bread; but the price of bread would be diminished, and with the diminished price of bread, the staff of life, the price of labor would fall; and with the price of labor, the price of manufactured articles dependent on labor. Her manufactures, reduced in price, would enable her to have a monopoly of the market of the whole world. Their policy not only affects them injuriously, but is the best protection which could be presented to our manufactures, by keeping at a high price the necessities of life, labor, and the manufactures which she would be enabled to sell much lower in our market by pursuing a contrary policy. Her manufactures, however, she must dispose of, or her people perish; and in order to meet competition abroad when a season of scarcity arrives, the manufacturer dare not raise the price of wages, because that would raise the price of manufactures and destroy the sales abroad, throws on society a numerous class of weavers and laborers clamorous for bread, because perishing with famine. This is the most fruitful source of pauperism in England, and which it requires £6,000,000 of poor tax annually to alleviate, without regarding the immense individual suffering, the vices created by pinching want, the prosecutions and convictions, the infamy or execution of many of her citizens, who, if blessed with the distressing abundance which surrounds the people of this country, would have been valuable members of society. In this train follows also the rebellions that agitate society and which require the power of military force to suppress. This is the admirable "American policy" which Mr. Speaker wishes to adopt in this country. A time must come when our country will be subjected to all these calamities, but I hope it is far distant, and I confess I am unwilling to hasten its approach. We must be contented with moderate profits and not attempt to legislate the Nation into wealth, either by issuing bank paper or forcing into existence establishments which would, least of all, benefit the West, now most clamorous for them.

The manufacturers have been promised the South American markets, in which all their fabrics can be vended. It is truly ridiculous to require something at home, in addition to the protection of a duty averaging 40 or 50 per cent, and then believe you can go into a foreign market and monopolize it, limited as that market must be. But I have shown you that, if your system be adopted, you will have driven England there with her manufacturers, with whom it will be the interest of the South Americans to trade, because they will receive the raw material wanted by the English, in exchange for their manufactures. You can receive nothing scarcely but specie, unless you import, to the ruin of your own agriculturist, the cotton of South America.

New England is the only manufacturing part of this country, and yet her people do not demand this tariff at your hands. She has the capital, the industry, the economy, and the density of population that prepares her for manufacturing. But for the emigration of her people

to the West, she would now have advanced much further in that branch of industry. The manufacturers know well the effect of the competition created by forcing capital suddenly to any one employment, and generally only ask you to let them alone. Small establishments, which might secretly and silently work their way into an honorable and comfortable existence, with the numerous individuals now employed in manufacturing by hand, would all be prostrated by your policy, by the large manufacturing establishments, with immense capital and powerful labor-saving machinery. From your system, the nabobs, who are represented as hostile to it, would alone derive benefit. The Digest of Manufactures, prepared by the Secretary of State, shows that many of the manufactories of coarse cotton, after the tariff of 1816, perished by competition. They do not, like the Kilkenny cats, devour each other, all except the tails; but one great establishment rises on the ruins of all the surrounding inferior ones—gorged and bloated with the spoils and smiling at the desolation created. The prudent manufacturer also fears a reaction when the people shall have felt their revenue seriously diminished, and shall see a resort to excise or direct taxes necessary when they have witnessed the prostration of commerce and shall know from experience the delusion of this home market. Society, like a mighty collection of waters, rests peacefully if undisturbed. A single wave can not be raised from its bosom, and suddenly sink into tranquillity; but a thousand successive waves are borne impetuously to the shore and are returned, broken and murmuring, into the mass of waters. The people may not be satisfied with reducing things to their present situation.

When we are at all prepared, sir, said Mr. R., to manufacture, the present duties will be found a sufficient protection; and, until we have the requisite industry, economy, and capital, and a population which can not be employed in agriculture and commerce, we vainly and imprudently attempt to force manufactures into existence. That we are not prepared is demonstrated by the positions of the advocates of this bill. We have "infinite advantages" (says Mr. Speaker) of soil and of internal navigation," etc. If we can not manufacture with these advantages, and with large protection from duties, what does this prove but that we are not ready to manufacture? What does the chairman of the Committee on Manufactures say as to our natural advantages? "We have 10 acres," says he, "for 1 in Europe fit only for the culture of hemp"; and yet, it seems, we can not manufacture even cotton bagging without a protecting duty of 50 per cent. We have territories of lead, and on navigable waters; yet it can not be protected by a duty of 12½ per cent, the present duty; but a duty of 25 per cent is necessary, and, on manufactured lead, higher in proportion. We have a climate which will produce wool everywhere, and a duty of 15 per cent to protect it; yet we can not have it produced in this country. We have iron ore in great abundance, fuel, and labor, and iron is now protected by a duty of at least 40 per cent; yet the makers of iron are suffering for protection. We have grain in abundance, yes, "rotting in our barns and granaries," and a duty on foreign spirits averaging 200 per cent; yet this is not a sufficient protection to domestic industry. When you add to these advantages the low price of land, the abundance of fuel, convenience of navigation, and the exemption from the payment of freight, duty, insurance, commissions, etc., to which the foreign producer and manufacturer are subjected, and find we can not grow or manufacture, is it not evident that the cause is not the want of protection but that it proceeds from causes connected with the new and unsettled state of the country? As men advance gradually from infancy to old age, so does society. No people have been instantaneously a commercial or a manufacturing people. The natural state of man is the savage state, the next the pastoral, and the next the agricultural. At the settlement of our country we had passed the first stages and had agricultural habits, received from the land of our fathers; and our commerce and manufactures are rising into existence as rapidly as they ought.

Whenever agriculture, in any country, has a surplus which can not be consumed by the producer commerce rises. If a country has, at the same time, a surplus production at any one point which can not be advantageously employed in agriculture, they are their own carriers; if not, other nations carry for them. When the people become too numerous to find employment in agriculture and commerce they necessarily seek employment in manufactures. But a small portion of our country, and that certainly not the West, with its millions of unseated lands, has ever found that surplus population which prepares a nation to manufacture. The manufacturing age of any nation is the one which precedes and mingles with its decline. Not, indeed, often an enviable period in its history; because, as the markets fluctuate, as affected by war or peace or the destruction of crops, it brings forth its swarms of paupers and a starving tumultuous people imploring government to relieve them from famine, and are ready to join any faction. In our country, with our free institutions and extended right of suffrage, the influence which the proprietor of a large manufactory must have over those dependent on him for bread would be severely felt in destroying the freedom of elections. The command over a man's

means of subsistence and that of his family, independently of that servile disposition which dependence creates, gives a command over his will and his freedom. The slavish condition of the laborers employed in manufactories, and in which they only engage from necessity, has a tendency also to destroy both the spirit of patriotism and the physical energy on which the Nation might rely from her militia in times of war. It is therefore calculated to impair our means of national defense and destroy the best feelings of patriotism. I know the correct manner in which the manufactories now established are conducted and the attention paid to the preservation of morals. But these establishments are now in their infancy and have a character to create. The time must come, as it has in other countries, when the proprietors will be more anxious to increase their wealth than preserve the morals of their laborers. All experience shows that the contagion of example and the effect of association, where a great number are collected together, tends to contaminate the morals of the whole. The people of cities, hence, are less virtuous than the people dispersed in their habitations through the country.

The Speaker, with a view to another point, states an important fact in relation to the increase of our population. We double our population, he says, in about 25 years, while scarcely any other nation has the same result in less than a century. To what other causes can that be attributed but to an exemption from a precarious support to be obtained by labor in manufactories and to the ease with which lands can be procured and a family supported, inviting to early marriages? I am not willing to destroy this course of national strength and wealth by forcing men from agriculture. Who has not witnessed with pleasure the happy effects of emigration to the new and unseated parts of our country? A man with his wife and family of small children leaves a part of the country where the high price of lands prevent him either from being able to purchase or rent. His earthly substance, with the children unable to walk, are packed upon a horse, followed by himself and wife and those able to travel. In this way he pursues a journey of some hundreds, if not thousands, of miles, seats himself on lands that soon become his own; plenty smiles around him, and he dies with the pleasing thought that his children are freemen and not slaves—the lords of the soil. On a people of such enterprise, thus educated, you can depend in the day of battle. There is something in the freedom of the country, in the ownership of the soil—no matter whether the proprietor be seated on the fertile plain or his habitation be perched near the eagle's nest on the mountain side—which inspires a feeling of independence and a love of country that nothing produced in any other situation can equal. With what enthusiasm in the last war did even mothers surrender their darling sons, the only prop of declining age, for their country's defense; and with what Spartan heroism did they offer their lives on the northern and northwestern frontier and on the plains of Orleans? While this proportion of this kind of population greatly exceeds all others, our national defense, liberty, and independence are secure. Not so when the manufacturing class preponderates. We are then verging to old age and dissolution. I would not willingly drive men from those pursuits that make them independent, patriotic, wealthy, virtuous, and happy to those which make them poor, dependent, servile, corrupt, miserable slaves. I would increase the number of the cultivators of the soil, for there, should ever liberty desert our country, will her last vestiges be found. If this be "foreign policy," I do not blush to be its advocate.

This brings me, Mr. Chairman, to examine the probable effects of this bill on the revenue, should it pass into a law. Our mode of collecting the whole revenue of the country, from a duty on imports, and which is collected with little expense and scarcely felt by the people, is peculiar to this country. It must fail whenever it becomes our interest to manufacture, instead of directing nearly our whole force to agriculture, finding it more advantageous to pay a duty averaging 40 or 50 per cent on foreign manufactures than to manufacture for ourselves. For, it is evident, when our State, as that of England does hers, enables us to manufacture, the distance and expenses attending importation will not only protect our own manufactures, but prohibit importation. If the state of things be permitted to arrive gradually, we become better able to bear excise and direct taxes, and may gradually impose them to meet the deficiency in the revenue. If brought upon us, at this time, we are wholly unprepared to meet them, and I am certain would not bear them. That the design of this bill is to diminish importation, and to act as a prohibition, we have from the chairman of the committee who reported it to the House. He says we import, annually, upward of \$15,000,000 of foreign articles, which we can have as well, and better, in our own country, and which, I presume, it is intended to prohibit as quickly as possible. If this bill will not answer the purpose, I have no doubt he would consent to report one which would. But, sir, no declaration of intention was necessary. No man can examine this bill without feeling that, regardless of the design, the effect would be to prohibit, or nearly so, the importation of goods, the duties on which, from a statement laid on our tables, amount to upward of \$7,000,000. But, admit it should not go the whole extent of prohibition to that amount, even a considerable portion could not be borne and the Government supported without

recourse to internal taxes. The mode of laying the duty on coarse cottons and woollens is extremely exceptionable, because calculated to deceive. If the intention of the committee was to place a duty of from 93½ to 117 per cent immediately, and from 104 to 130 after June, 1825, on coarse woollens called plains, and a duty of from 78 to 111 per cent on printed calicoes, why not say so, in direct terms, and not make a duty nominally only 25 per cent by fixing the price of a yard at one-third more than it cost, make duty much higher than it appears.

The duty on coarse cottons, by the tariff of 1816, was nominally 25 per cent, but every yard was estimated to have cost 25 cents, a price more than three times its real cost, at the place of manufacture, and which made the duty really more than 80 per cent. Here let me remark that if the duty of 1816 on coarse cottons operated as a prohibition, as it really did, the duty I have mentioned on coarse calicoes and plains ought to have and would have the same effect. The proposed duty on cotton shirting is from 49 to 70 per cent; on cotton checks it is from 67½ to 70 per cent, on brown Holland 72 per cent, on osnaburgs and cotton bagging about 50 per cent, and on paper about 66 per cent. The articles are selected to show the general character of the bill and to justify my remark, which I have made, that it is in its nature prohibitory. These calculations I have not made, but they are made by those much better acquainted with such things and who, I presume, would not hazard their reputations by false statements. They are principally found in the memorial of the Chamber of Commerce of New York. These duties, if they operate to raise the prices, as they must, fall most heavily on a class of people the least able to bear such burdens, the poor and laboring class. A duty on fine cloths could either be paid by the rich or would leave them the alternative of wearing something of an inferior quality; but the poor have no alternative but to buy at the prices for which they are offered or do without them. The experience of the last war also shows that when prices are unusually high that portion of the community which can do so resort to family manufactures and that the use of all others is much diminished. These high duties, then, if attended with anything like a corresponding high price of the domestic manufacture, instead of giving protection to domestic manufactures, would diminish the consumption and force all who could to supply their wants by family manufactures. This was seen in the last war.

The effect of high duties, in producing smuggling, with all its concomitant evils, I never can view without horror. For smuggling, no country—not even England—is so well adapted as the United States. An immense seacoast, studded with islands, and extending from Passamaquoddy to the Sabine, and a large portion of that but thinly populated; by land, bound on the east, the north, the northwest, and the west by the territories of other governments, a portion of which has a chain of lakes united by rivers, to which there are thousands of inlets, affording facilities to smuggling. Hitherto the feelings of our people have been on the side of the Government, because the duties have been moderate, and, although we have the most virtuous people on earth, the experience of the restrictive measures preceding the last war, and the war itself, show that they can be corrupted. All men are liable to be operated on by their avarice or their necessities. A part of one of the best prayers ever uttered, is "Lead us not into temptation." Do not corrupt your people, by making it their interest to be corrupt or because the demand for necessary clothing, which they can not otherwise obtain, requires them to be corrupt. When you do, you will find Dirk Hatteraicks on your coast, and a people ready to deal with and protect him in his illicit trade. Some gentlemen here know that the famous Lafitte supplied one part of the country with goods, through Barataria, during the restrictive measures and the last war, and publicly walked the streets of New Orleans, in defiance of your public officers, and in contempt of your laws. To prevent this, you must increase the number of revenue officers, now under your moderate duties almost unnecessary, except for the mere purpose of collecting them.

But, sir, the gentlemen have found a remedy for the deficiency anticipated by themselves, by the prohibitory nature of this tariff, in the increase of duty on other articles. What are those articles? Molasses, spirits, fruits, and silks, I presume—the proposed duties on which must diminish the consumption, if not wholly prohibit the importation. If it were true that an increase of duty increased the revenue, it would be easy to collect the revenue from a few articles. Experience shows things will bear a reasonable duty, and no more. Go beyond that, and they are smuggled, they are adulterated, the consumption is diminished, or they are prohibited. The maxim of Dean Swift is true, when understood, that, in the science of political arithmetic, 2 and 2 do not always make 4. Reducing the duty often increases the revenue, and an increase of the duty often diminishes the revenue, and the revenue does not always increase in the proportion the duty is increased. These positions I propose to illustrate by a few of the numerous examples drawn from the experience of England, France, and the United States. Previous to 1784 the duty on tea, in England, was 4 shillings a pound, and produced £180,000; and when reduced, in 1745, to 1 shilling per pound, produced, in 1746, £243,309 in revenue. In 1748 the duty on tea was again increased, and fluctu-

ated between 64 and 119 per cent, until 1784, with but little increase of revenue; but the adulteration, by the use of sloe and ash leaves, was practiced to an astonishing extent. In the year 1784 the duty was reduced to 12½ per cent, and in the two next years the consumption was trebled, and in 1819, 100 per cent. In 1742 the high duties on spirits ceased, in consequence of which the revenue was increased and morals improved. Let it be remarked that foreign spirits is one of the items in this bill, and which now pays a duty of 200 per cent on the average, and the duty on which it is proposed again to increase—a duty which is in its nature prohibitory, and from which we now derive a revenue of upward of \$2,000,000. In 1787 Mr. Pitt reduced the duty on wine 50 per cent, by which the revenue was increased. The duty on coffee was increased in 1805 one-third, by which the revenue was diminished one-eighth, and in 1806, one-sixteenth. It was again, in 1808, reduced from 2 shillings to 7 pence per hundredweight; and the revenue, which, for three years preceding the reduction, had averaged only £166,000, increased to £195,000.

In 1800 the duty on glass was doubled, but there was no increase of the revenue. In 1813 the duty on leather was doubled, which might have been expected to double the revenue derived from that source, but although it had previously produced £394,000 it only produced half a million. The duty on wine subsequently to the time I have before mentioned was increased, and in consequence of that increase the revenue was diminished one-fourth. A similar instance has been cited in the course of this discussion in relation to the revenue of the United States, of an increase of revenue on wines, corresponding with the diminished duty. In France in 1775 Mr. Turgot is said to have reduced the duty, etc., on fish in the Paris market, but the revenue was not thereby in the least diminished. From the high duties proposed on the articles from which it is expected the deficiency in the revenue is to be supplied it appears to me, if experience teaches anything, the examples I have cited teach us to hope for nothing like an increase of revenue. Although Mr. Speaker is prepared to recommend an excise, I confess I feel some horror at the name of an excise man, and nothing but a full conviction that nothing else would support the honor, the welfare, and safety of my country would induce me to send this odious class of public officers among the people.

I have incidentally shown the corrupting influence of this policy on the morals of the country by enlisting the feelings of the people against the Government and in favor of the smuggler and by collecting people together in numbers, and on the liberty of the country by its influence on the freedom of elections and the means of defense by land and sea.

It now becomes my duty, said Mr. R., to examine some of the reasons which are supposed to demand this extraordinary interposition of the Government to rescue a large portion of the people, if not the Nation, from degradation and ruin. The balance of trade with other nations, it is said, is against us, as appears from the Treasury reports and books of the customhouses. Indeed, the balance of trade has in this way appeared against us constantly, from the origin of our Government, and foreign nations continue to deal with us, and we are not ruined. The very suggestion is so ridiculous, that had it been confined to the Philadelphia Mint of pamphlets on the tariff, where, I believe, it originated, I should not have deemed it worthy of notice; but, as it has been echoed and reechoed within these walls, I propose to give it some examination. Suppose an American merchant exports from one of the ports of the United States a cargo estimated at the customhouse at \$5,000, which he carries to the West Indies, and, in exchange, obtains the produce of that country, worth \$10,000, and which, instead of bringing immediately home, he disposes of in some port of Europe for a cargo of merchandise valued at \$20,000, which he imports to the very place which he had previously left with a cargo valued at \$5,000. In this instance the balance of trade appears to be against us, as we have imported \$15,000 more than we have exported; yet, \$15,000 are gained to the Nation. Suppose, again, the merchant exports a cargo valued at \$10,000 where exported, and which, at the port of destination, he is compelled to sell for \$5,000, with which he returns to the United States; here, it would appear, we are doing an excellent business, because a balance of \$5,000 more is exported than imported, as appears on the books of the customhouse; yet the Nation has lost \$5,000.

The fallacy of this thing is that when our trade is prosperous the balance is always apparently against us, but when our trade is most disastrous the balance appears in our favor, in the way I have mentioned. To this you must add many cases where nothing is exported of any value, and where things of value are imported, the products of mere labor. Two or three cases of that kind may be mentioned. We have upward of \$600,000 tons of tonnage engaged in foreign trade and which brings to those engaged in it about \$70,000 per annum, which is acquired by mere industry, is imported in the produce or manufactures of other countries, and appears on the books of the customhouse, that amount against us, in "the balance of trade." A quantity of ice is annually carried from the North to the West India Islands, which brings to the United States in the produce of those islands about \$100,000, and in that case also, as nothing is exported that can be valued at the customhouse, a balance of trade of \$100,000

appears against us. A most profitable trade to the Pacific presents also a large item in that balance of trade. A fishing vessel leaves New England and proceeds to the South Sea, where, by fishing or trade in furs, she is enabled to make a voyage to the East Indies or China and returns with a cargo valued at \$100,000, when her export was nothing; and this again swells the apparently unfavorable balance of trade.

It is said, sir, and triumphantly said, "Shall we purchase more than we sell and purchase to a disadvantage?" The meaning of this is: Are we fools, and our creditors worse fools? When an individual purchases more than he can pay for from a merchant his credit soon ceases. Englishmen know too well their own interest to continue such a ruinous business, even if we were disposed to encourage it.

It is asked, Shall we encourage foreign workmen? I answer, yes; if to our mutual advantage, and for the same reason that a man employs a neighboring mechanic to make his boots and shoes instead of making them himself or having them made in his own family.

"Our country is said to be perpetually draining of specie." And what is specie but a mere commodity which we exchange for something we want more? Recent accounts say that from the abundance of specie in England the exportation of it to this country has commenced. Water accumulated at any certain point soon finds its level, so silver seeks the place of demand, for it passes in and out of a country by a thousand secret channels. From the estimates on this subject we have been drained since the commencement of this Government of more specie than we ever had.

"We must be independent of foreign nations." What God has decreed man vainly attempts to counteract. The dependence of nations and parts of a nation on each other are marked in the varieties of soil and of climate and in the dispensations of Providence. Why does not the soil and climate of the North bear the products of the South, or the South yield the products of the North? Why is the crop in one country parched by drought or blighted by mildew while that of another yields an abundant harvest? These all teach men and nations that they are and must be dependent on each other and on Him who formed the earth and directs the seasons, and who rules the affairs of men and of nations. The wealthiest and most powerful man is made dependent sometimes on the humblest person in society. This dependence pervades creation, is found among beings rational and irrational; things animate and inanimate.

Some have alleged, or at least have intimated, that England has sent goods here to destroy our infant manufactures. Who can believe such a strange suggestion? What nation could afford to do it, if willing? At the time when England is supposed to have made this attempt at the destruction of our manufactures, her people, like ours, suffered from the sudden transition from war to peace, and her manufactures were sacrificed in our markets, while her commerce and her agriculture suffered at home. The war found employment for a large portion of her people, not only in the armies but in the formation of those manufactures necessary for the supply of the army. Peace not only diverted the whole force previously employed for the army to manufacture for exportation but also found in possession of the manufacturer a stock on hand which the war had prevented him from exporting and vending. Our merchants rushed to supply the wants of the country by importation. Hence a scene of universal distress, both in England and America, followed the transition from war to peace, involving all classes in the common misery, and the goods which the merchant or manufacturer was compelled to sacrifice at this period are doubtless those which gentlemen have fancied imported for the destruction of our infant manufactures. All classes of men and of industry feel the loss of the market war creates, and time alone restores the equilibrium. Time has done the work which it would be madness to destroy.

The examples of England, France, and Spain have been mentioned to show the effects of this admirable policy recommended for our adoption. From the description, one would suppose that all the information we have heretofore received from every source, as to the situation of the people of England, was false, and that she had scarcely a beggar or a pauper in her dominions; that her agriculture, her commerce, and her manufactures were in a most flourishing condition; while we are actually a starving, depressed, miserable people, whose commerce languishes, whose agriculture is depressed, and who implore the aid of government to save them from utter ruin. We look in vain in this country for the original of such a picture, and a search in England for that unexampled prosperity depicted in such glowing colors would be equally fruitless. England compared with some other nations of Europe is comparatively prosperous as a nation, while a large portion of her people are without rights and privileges—a poor, wretched, starved, miserable population. Does even the comparative happiness she enjoys proceed from protection to her industry? No, sir; her natural advantages have caused her to triumph over a mistaken policy which she would now abandon, if she dare, or if she could without the destruction of interests and institutions which her own laws have created and which it would be unjust and impolitic at once to destroy. Opening her ports to the produce of other countries, and especially that of the United States, where from the low price and good quality of the lands, we

produce much with little labor, would at once force the agriculturists of that country, now cultivating inferior soil, to abandon it, from an inability to raise anything at prices which would enable them to compete with us in the market. It would make her what she is destined to be from her situation, the density of her population, and natural advantages—a manufacturing nation; but must, at the same time, prostrate her agriculture. Such a sudden change would be dangerous and unwise. But one period perhaps has arrived within any recent time, and that a most calamitous one for agriculture, when she could with safety have repealed her corn laws, and that was when the unusual abundance of crops in the year 1816 reduced the price of corn nearly to that for which it could be imported.

I have already shown that the best protection for our manufactures proceeds from her corn laws, and that the very best protection she could give to her manufactures would be to open her ports to the productions of other countries, by which the price of bread, of labor, and of her manufactures would be reduced. Is it true that her manufactures have flourished from the protection extended to them by Government? Such is not the opinion of Mr. Lowe. [Here Mr. R. read, from page 168 of Mr. Lowe's work, a passage to show that, of the whole manufacturing productions of England, consumed at home and abroad, estimated at £123,000,000, the cotton, woollens, and hardware, which is the most profitable portion of them, and which received no protection from the Government, by duty, amounted to £80,000,000; while the chief protection had been extended to the manufacture of silks and laces, admitted to be unprofitable.] England owes her prosperity to her situation, which makes her a commercial nation; to the limited extent of her territory, which denies employment to her people in agriculture; to her system of government, which is comparatively free; and to religious toleration. The persecutions of the Huguenots on the Continent, also, brought her the most learned and skillful men in Europe, with a knowledge of manufactures, which gave the first impetus to that branch of her industry, and, in proportion, depressed those of the countries from which they were banished.

France, admitted by Mr. Speaker to be the next most prosperous nation of Europe, could not be expected, when deprived of the advantages of situation possessed by England, to equal her in those things dependent on situation. In addition to this, France has long been the scene of the most desolating internal war, while she has waged a perpetual war with all the powers of Europe, by which her progress in those things that flourish most in times of peace was necessarily retarded. But her people are comparatively happy, and are less burdened with taxes on the necessities of life than the British subjects.

The example of Spain is most unfortunate for gentlemen who advocate this system of protection. Spain, among the most degraded, the most feeble, and the least prosperous of European nations, is, say the political writers, "a Government of imports, prohibitions, duties, and monopolies." The wealth of her foreign possessions, no doubt, contributed to hurl her from that eminence she once proudly occupied among the nations; but, as industry flourishes best when left free to pursue its own course and seek its place of profitable employment, it is reasonable to suppose that restriction and prohibition contributed largely to crush and depress it.

Another evidence of a most deplorable state of things in this country is derived from a calculation that our exports do not increase in the ratio of our population, or, if they increase, are reduced in price. There is some satisfaction, even if this indicates a want of prosperity, which I am not willing to admit, that our population doubles under all those unfavorable circumstances attending our unhappy condition in about 25 years and that of almost every other nation doubles in about a century. Let it be remembered that a state of freedom and of plenty alone are favorable to a rapid increase of population. Is it not, let me ask, sir, reasonable to expect, when the peace of 1814, almost as universal as the war which preceded it, had turned millions from the destruction of their own species to the peaceful pursuits of industry, that the abundance in Europe created thereby should diminish their importations, and the price, especially of the products of agriculture?

Mr. Speaker says, if we had war on the Continent of Europe we should have a market for our produce. So we should, because the employments of war, not of the soldier merely, as he constitutes but a small part of those to whom employment is given by war, would divert the attention of great numbers from the production of necessities. It produces an unnatural excitement and gives a fictitious value to everything. And hence the return of peace, which ought to bring nothing but blessings, brings in its train a reduction of the price of everything and bankruptcy and ruin on all classes. It is the most depressed and dangerous crisis in the existence of a nation, as we are too apt to apply legislative remedy for what time alone can heal.

Another cause why our exports should be diminished in price, if the want of a demand abroad were not sufficient, is that from the vast quantity of public lands within our limits, and the preference men have for breathing the free air of the country, the ratio of our population engaged in agriculture increases more rapidly than that of those engaged in other pursuits, and with that increase the agricultural pro-

ductions also increase, and with that is the diminution of price. Hence, as Mr. Speaker justly observes, the price of the produce of every section of the country is falling, and must continue to fall; and commerce also feels the same effects. From this languishing and suffering Mr. Speaker would most graciously relieve us by his policy, as the aged, deformed, and sick of some countries are relieved by giving a finishing blow to their existence. The only remedy that can be safely applied to such an evil is to live on our abundance and bring our expenditures down to the means we possess.

The effect of this system which is designed to tax the sugar, the cotton, and tobacco planter, and the grower of rice in the South, for the benefit of other sections of the country supposed to be less prosperous would, as I have shown, destroy our market; because, if we do not import we can not expect to export; or, as Mr. Speaker would have it, "If we export we will import"; or if we buy nothing of them (other nations), they can buy nothing of us; or as Mr. Speaker would have it, "If they buy nothing of us, we can buy nothing of them." But all parts would feel this wound, as the cautery applied to one part of the body affects the whole system. The North would feel it in her navigating interest, now employed in carrying those raw materials to other nations, and returning with their manufactures, and in the destruction of our market for her produce and her manufactures used in agriculture. I have already shown that it must cripple, if not prostrate, her commerce, her shipbuilding, and her trade with the West Indies.

With the West, it appears to me like a rebellion of the Members against the body. It is true we export, but the amount received from those exports is only apparently larger in our favor, inasmuch as we are the consumers of your produce, dependent on you for our implements of husbandry, the means of sustaining life, and almost everything except our land and negroes, all of which draws much from the apparent profits and advantages. In proportion as you diminish our exportations you diminish our means of purchasing from you and destroy your own market. You will compel us to use those advantages of soil and of climate which God and nature have placed within our reach, and to live as to you, as you desire us to live as to foreign nations, dependent on our own resources. I have already attempted to show that this home market is all a fallacy. When we consider the few who must be employed in consequence of the improvements of machinery, the limited nature of your market, from the inability of your manufacturers to compete in foreign markets, is it not reasonable to suppose that if Great Britain from her own soil supports a population of upward of 21,000,000, a very small proportion of whom are engaged in agriculture, that Pennsylvania or Ohio alone could furnish bread for the very small proportion of 10,000,000 of people in this country to be engaged in manufacture? The greatest number, and even that exaggerated greatly beyond a correct estimate, which, Mr. Speaker, could employ on manufactures was 500,000, and these are to consume the surplus products of 20 out of the 27 States and Territories of the United States, with some fractions of the remaining 7 stated by Mr. Speaker to be grain-growing States and Territories. The idea, then, of a home market is without reason or truth. The effect of this system would only be felt in the immediate vicinity of the large manufacturing establishments. Can you manufacture in the West? The principle article manufactured heretofore in Kentucky is cotton bagging. In this you are now protected by a duty of 20 per cent, to which is added the 10 per cent in calculation of the duties, which would make the whole duty about 22½ per cent.

You have also "10 acres of land for 1 in Europe fit only for the cultivation of hemp." It requires little capital to manufacture hemp; your navigable streams enable you to transport it at a small expense to the market; yet you are not able to compete in our own markets with Inverness and Dundee (names I have heard so often they sound harshly in my ear), who purchase the hemp raised by the "serfs" of Russia, transport it to Scotland, and there manufacture it; afterwards transport it to the United States, paying freight, insurance, commissions, and profits, in addition to the duty of about 22½ per cent. Does not this show that the evil lies deeper than want of protection? That, if you could manufacture, your manufactures are already sufficiently protected? We are willing, from the South, to submit to anything to which, as a people, we ought to submit, but we are not willing to have the industry of our people taxed to enable your manufacturers to demand of us 50 per cent, the proposed duty, more than we give for the foreign fabric. When we examine the provisions of this bill we understand you mean by "protection" nothing less than prohibition, and by "keeping you steady" the exclusion of foreign manufactures. But, sir, suppose the West procures the passage, do you suppose Brother Jonathan will not reap the advantages of it? The people of New England have the necessary capital, industry, economy, and density of population, all of which must precede manufactures. These will enable them to sell their manufactures under the very walls of your manufacturing establishments. They will not manufacture the cotton bagging alone but raise the hemp and drive you from our market. Against Inverness and Dundee, the duty, and the peculiar advantages of your situation, give you reasonable protection; but against this domestic competition you can neither ask nor have any protection from the Govern-

ment unless, in the folly of legislating the people into wealth and creating markets, we should attempt to protect the several sections of the Union against the competition of the other.

Opinions have been mentioned, and among others that of the Executive Magistrate of the Nation. I regret the course his communications have pursued in relation to this subject, because they are calculated to keep alive the restless spirit of those who are anxious to adopt the policy of other nations by intimating that something can and probably ought to be done. "I would he were either hot or cold." "A judicious revision of the tariff" means nothing, as almost the only question is, What is a judicious revision? If he would declare for or against the tariff in the shape it has for years past been presented to this House and agitated the Nation, we could give to that opinion such weight as we might suppose it entitled to have; but at present we have nothing tangible, no opinion to support us, and no opinion to combat. The opinions of the Emperor Alexander and of Napoleon can not thus be mistaken, and so far as the opinions of monarchs and despots are entitled to weight support the tariff. Their principles and opinions in favor of what Mr. Speaker was pleased to call "an American policy," in opposition to what he calls "a foreign policy," is better suited to their own arbitrary governments than to our government of laws. Experience is better than opinion, and experience shows that the American policy, which imposes duty for revenue merely, or what I have described as falling strictly within the meaning of protection, and which has hitherto been called an American policy, can in a few years elevate a nation to unexampled prosperity, while the foreign policy attempted to be introduced in its place may be safely left to arbitrary governments and the oppressed of other nations. This fair American, the bantling of Mr. Speaker, was born, has grown to manhood, and approached old age in a foreign country, is not yet naturalized here, and I hope never will be.

"Be of good cheer," ye tariff men; in the end you will triumph. Let me assure, gentlemen, that such a triumph must be of short duration. There is but a step between the throne and the scaffold. When the people shall have discovered that this home market is all a fallacy; that the cry for the protection of manufactures and domestic industries has been raised by those interested, or seeking to be interested, in such establishments; that it is a triumph over that truly American policy which has made us great and happy, and has established in its place that policy which has ground down and oppressed the people of other nations; that it exposes their houses to the scrutinizing and hateful inspection of the exciseman and the fruits of their industry to be wasted by the taxgatherer; that it contaminates the morals of the people, prostrates all the best interests of the country, and saps the foundations of its liberty, this triumph will soon end. This beautiful fabric, erected with so much care and industry, will bury in its ruins its most zealous advocates. From such a triumph may Heaven in infinite mercy deliver this Nation.

When Mr. R. concluded, Mr. Webster, of Massachusetts, took the floor and continued his observations till past 3 o'clock, when he gave way for a motion that the committee rise.

The House then adjourned.

Mr. WOOD. Mr. Chairman, I yield to the gentleman from Maryland [Mr. HILL].

Mr. HILL of Maryland. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. HILL of Maryland. Mr. Chairman and gentlemen of the committee, I desire to say a few words on the subject of the constitutional crossroads, or the people of the several States.

"THE CONSTITUTIONAL CROSSROADS" OR THE PEOPLE OF THE SEVERAL STATES

The tenth amendment to the Constitution is as follows:

The powers not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States respectively or to the people.

One of the most progressive and far-seeing Americans of recent years was the late Charles J. Bonaparte, Secretary of the Navy, Attorney General of the United States, friend of Theodore Roosevelt. [Applause.]

Ten or more years ago I was associated with Mr. Bonaparte in obtaining enlightened and humane hours-of-labor laws in Maryland for women and children.

Those laws are to-day still in force, strengthened and kept abreast of the modern needs for protection of women and children. I strongly favor such laws, but I as strongly oppose the proposed amendment to the Constitution of the United States, giving to the Federal Government the responsibility and the duty of taking over from the States the regulation of such intimate and local domestic matters.

I do not propose, in the time that has been granted me, to attempt to discuss in any detail the proposed child-labor amendment. I hope to do that if, when, and as the proposed amendment is discussed here in this House.

I desire, however, using the proposed child-labor amendment as a text, and the already advocated marriage and divorce law amendment as a pending menace, to discuss the fundamentals of Federal constitutional power, and then say a word on behalf of the Garrett-Wadsworth proposed amendment, which seeks to embody the constitutional theory of the fathers; this I shall present for your consideration.

The origin of the Constitution and the history of its adoption throw grave doubt upon the Federal powers now claimed.

The ratification resolution of the State of New York recited that we "do declare and make known," among other things:

that every power, jurisdiction, and right which is not by the said Constitution clearly delegated to the Congress of the United States or the departments of the Government thereof remains to the people of the several States, or to their respective State governments to whom they may have granted the same.

The ratification resolution of the Virginia State convention stated that we—

Do, in the name and behalf of the people of Virginia, declare and make known * * * that every power not granted thereby remains with them and at their will.

The South Carolina ratification resolution contains this paragraph:

This convention doth also declare that no section or paragraph of the said Constitution warrants a construction that the States do not retain every power not expressly relinquished by them and vested in the General Government of the Union.

Why are these express reservations not binding so as to prevent the cession of a new power to our Federal agents in Congress by anybody except the parties to the original compact, the people of the several States?

It is well known that ratification was only procured in Virginia, New York, and Massachusetts, where the vote was very close, by the promise made by the advocates of ratification to speedily incorporate a Bill of Rights, which action was demanded also by Maryland, New Hampshire, Rhode Island—which latter State had first rejected until after a Bill of Rights had been actually proposed by Congress—and other States.

The promise to incorporate a Bill of Rights was promptly kept by the first Congress, which assembled on March 4, 1789, by the resolution submitting the first 10 amendments, the preamble of which recites that—

The conventions of a number of States having, at the time of their adopting the Constitution, expressed a desire, in order to prevent misconstruction and abuse of its powers, that further declaratory and restrictive clauses should be added, and as extending the ground of public confidence in the Government will best insure the beneficent ends of its institution.

The actual language by which this gentleman's agreement was thus carried out was incorporated into the first 10 amendments, which were promptly ratified by the States.

If the three express reservations in the ratification resolutions of New York, Virginia, and South Carolina were not restrictions upon Article V (the amending clause) as well as upon every other part of the Constitution, they were meaningless.

That contention has never yet been answered even by the Supreme Court except to simply deny it without giving reasons. If all the articles of the Bill of Rights were not limitations upon the amending power they were of no earthly use.

If they have been violated, does that justify repeating the violation? Does a wrong become a right by being done or by being repeated?

The gentleman's agreement, without which ratification could not have been procured and which resulted in the tenth amendment, does not protect the reserved rights of each State, respectively—that is, each State separately—if it can be amended away by 36 other States.

The exact language in which the gentleman's agreement was carried out can not too often be repeated. It reads:

All powers not granted in this Constitution to the United States or prohibited by it to the States are reserved to the States, respectively, or to the people.

Of what value would this reservation to the people of the respective States have been if three-fourths of the States could, without the assent of the people of a particular State, invade the domain which the people of that State had thus reserved for their own exclusive use and control?

The Federal powers as proposed by the Constitution were so extensive as to create alarm and opposition by some of the most influential men in many of the States. It is well known that the objections of the patriot Samuel Adams were only overcome by the assurance that such an amendment as the tenth would be adopted. Like opposition was by like assurance elsewhere overcome.

Among the powers delegated was one to amend the delegated grants. These were obtained by the separate and independent action of each State in acceding to the Union. When we consider how carefully each clause was discussed in the general convention and scrutinized in the conventions of the several States the conclusion is irresistible that all was specified which it was intended to bestow, and not a few of the wisest of that time held that too much Federal power had been conferred.

Power was given to amend the delegated trusts so as to make them efficient for the purposes designed, or to prevent their misconception or abuse to the injury or oppression of any of the people. The first 10 amendments, adopted practically as part of the original compact, in pursuance of the gentlemen's agreement made to procure ratification, all refer either to the powers delegated or are directed to the greater security of the rights which were guarded by express limitation.

The Constitution—a proposition to the people of the several States to grant enumerated powers—was by Article VI only to have effect between the ratifying States; but the fifth article provided that amendments to this compact, delegating limited powers, might be adopted by three-fourths of the States. It thus appears that a smaller power was required for an amendment than for a grant, and the necessary conclusion is that it was so provided because an amendment must belong to and grow out of a grant previously made.

If a so-called amendment could have been the means of obtaining a new Federal power, is it to be supposed that those watchful guardians of community independence by whom the War of the Revolution had been fought would have been reconciled to the adoption of the Constitution by the declaration that the powers not delegated are reserved to the people of the respective States? Unless the power of amendment be confined to the grants of the Constitution, there can be no security to the reserved rights of a minority of States less than one-fourth, nor of the people of a particular State, however numerous.

The word amendment necessarily implies an improvement upon something which is possessed. It can have no proper application to that which did not previously exist. A limited commission for a delegated trust can only be expanded by the original grantors or donors.

The express limitations and prohibitions upon the power of amendment in the amending clause itself all refer to things which existed as part of the General Government. They were not needed and therefore not to be found in relation to the reserved powers of the States on which, as a condition to union, the General Government was forbidden to intrude by the actual form of the limited commission itself expressly declared and secured in pursuance of the gentlemen's agreement embodied in the tenth article of the Bill of Rights.

Irrespective of what the courts have done or failed to do, or said or failed to say, as soon as more than one-third of our Congressmen or more than one-third of those who exercise our perpetual "equal suffrage in the Senate" become convinced of the soundness of the principles above enunciated we will have no more attempted "legislation" by constitutional amendment, no more violations of "local self-government" through hasty and ill-considered grants of Federal power; no further attempts to use the amending clause of our charter of liberty as a reforming agency for coercing unwilling sections.

Whether or not the Congress can soon rise to the height of repealing the Volstead Act, thus leaving the eighteenth amendment as a mere declaration in the air recording a monumental governmental folly, they will certainly ultimately repeal the prohibition of nonintoxicating liquors through the one-half of 1 per cent definition, the regulation of industrial alcohol, and the prohibition of medicinal beer, for none of which is power granted by the express language of the eighteenth amendment, which is limited to the prohibition of "intoxicating liquor for beverage purposes."

The right to do these things is claimed as an implied power, not from the express language of the amendment.

Where the sanction for the amendment itself is so doubtful Congress should delicately refrain from claiming any implied powers whatsoever under it.

It has been the exercise of powers—under the claim that they were implied—together with double jeopardy and other provisions of the Volstead Act violative of the Bill of Rights which have so confused and clouded the question of law enforcement, particularly for those (1) who believe that the amendment itself is a usurpation, or (2) who honestly believe that any exercise of power beyond the express terms of the grant is unjustified.

Who can say that 36 State legislatures would ever have voted to ratify the eighteenth amendment if it had been thoroughly understood—

(1) That the "concurrent power clause" gave no State check on extravagant Federal interpretation.

(2) That a claim of powers not expressed could be stretched to cover nonintoxicating liquor, industrial alcohol, and medicinal beer.

(3) That discretionary departmental regulation would hold water which protects the countryman's cider while banning the city man's beer.

It does not follow that because extravagant claims for power have been asserted by our Federal agents in Congress the States must meekly submit and support and indorse such stretches of authority.

The three self-respecting States of New York, Maryland, and Massachusetts are roundly denounced by thoughtless persons because they refuse to pass State statutes to enforce what they believe to be usurpation of power.

It should be emphasized that they must either indorse and support the Volstead Act as a whole or else manfully refuse to exercise their "concurrent power" as they have done.

In these circumstances the abuse heaped upon them is totally unjustified and the claim that they are "nullifiers of law" false and unwarranted.

There is pending in this House and in the Senate a joint resolution proposing an amendment to the Constitution of the United States which should be adopted before a tax-exempt securities amendment, a child-labor amendment, a marriage and divorce laws amendment, or any other amendment to the Constitution is considered or adopted. I refer to the joint resolution (H. J. Res. 68) introduced in the House on December 10, 1923, by Mr. GARRETT of Tennessee and in the Senate by Senator WADSWORTH, of New York, which is as follows:

Joint resolution proposing an amendment to the Constitution of the United States

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article, in lieu of Article V, be proposed to the several States, as an amendment to the Constitution of the United States, which shall become valid to all intents and purposes as a part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"The Congress, whenever two-thirds of each House shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes, as part of this Constitution, when ratified by three-fourths of the several States through their legislatures or conventions, as the one or the other mode of ratification may be proposed by the Congress or the convention: *Provided*, That the members of at least one house in each of the legislatures which may ratify shall be elected after such amendments have been proposed; that any State may require that ratification by its legislature be subject to confirmation by popular vote; and that, until three-fourths of the States have ratified or more than one-fourth of the States have rejected or defeated a proposed amendment, any State may change its vote: *And provided further*, That no State, without its consent, shall be deprived of its equal suffrage in the Senate."

Gentlemen, to-day the United States is at the parting of the ways. Had I lived in the days of Hamilton I should have been a strong Federalist. To-day I am equally for a strong and honestly efficient, powerful Federal Government. Extension of Federal power, however, to the power reserved to the States by the whole spirit of the Constitution, as expressed in the tenth amendment, will weaken the Federal Government. Absorption of State powers, which are in themselves local and domestic, will enfeeble the whole fabric of Federal law. Legislation, such as that proposed by the child labor amendment, will ultimately destroy the Federal Government itself.

Gentlemen, we stand to-day at the constitutional road crossing. I hope we will adopt the Wadsworth-Garrett proposed

amendment and adhere to the old Constitution of Washington, Hamilton, Jefferson, Lincoln, and Roosevelt. [Applause.]

Mr. WOOD. Mr. Chairman, I yield 15 minutes to the gentleman from South Dakota [Mr. WILLIAMSON].

Mr. WILLIAMSON. Mr. Chairman, as I have not sufficient time to cover my subject in the way I desire to cover it, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from South Dakota asks unanimous consent to extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. WILLIAMSON. Mr. Chairman, the trend of big business toward consolidation and monopoly has been going on apace in recent years in spite of inhibitory statutes and court decrees. No law yet devised by man has proven an effective barrier. Indeed, it may well be doubted whether human ingenuity and skill will ever be able to adequately deal with monopoly and the consequent fixing of prices. Vigilant public officials, determined and able prosecutors, and courageous judges can do much, but even their combined efforts will never put an end to profiteering by the predatory and unscrupulous.

Powerful interests to-day are not only utilizing the best brains they can obtain for the purpose of spreading the most persuasive propaganda against Government and municipal ownership of public utilities but are using their every resource of money and brains to get control of our remaining hydroelectric power sites before public opinion shall have become sufficiently aroused to put an end to the movement. Once in control, little short of a revolution will be necessary to dislodge them.

It is high time that some one in this body raises his voice in protest against the constant effort made to discredit public ownership and operation of our most promising power sites. The insistent demand for private operation is a demand against public interest—a demand, if you please, to further augment the power of monopoly now rapidly forming and to fasten upon the American people unjustifiably high rates and charges for electric current.

If it were true that such privately owned and operated concerns could and would render better and cheaper service than municipal plants, one might look upon the propaganda with some degree of complacency. Experience has shown, however, beyond reasonable possibility of controversy that such is not the case. On the contrary, their general policy has been and no doubt will continue to be to charge all the traffic will bear. Our public-service commissions have been hopelessly impotent in dealing with the situation. If it is sought to reduce rates, income and expense accounts are so manipulated that any considerable reduction is made to appear confiscatory and the taking of private property without due process of law.

Mr. Chairman, there is only one real solution, and that is by effective competition. The only way this can be secured is by the people themselves entering the field. Once this is done, private interests will not be slow to meet the municipal rates.

But we are told that government and municipal ownership is inefficient, extravagant, and hopeless. We are pointed to the many Government enterprises undertaken during the war. That the operation of many of these was hopelessly inefficient and extravagant must be admitted. Were these the only examples we might well shrink from further experiments in public ownership or operation.

But even the most bitter foes of Government operation of public utilities must concede that our war-time enterprises furnish no real criterion as a basis for predicting results in peace time. Such enterprises, however, must be put into the hands of their friends and not into the hands of people who are anxious to prove Government operation a failure. No business can succeed in the hands of its enemies.

Already rumblings emanating from our Department of Commerce and elsewhere convey news of a great superpower system to be evolved in New England. The Southland is already in the grasp of a sinister power monopoly if the orators representing that region in this body are to be believed, and there are substantial grounds for believing that the Southern California Edison Co. is doing its utmost to get control of the power possibilities of the great Southwest.

It is also reported that 650 municipally owned electric light and power plants in various parts of the country have succumbed to the private superpower organization during the last few months. Everywhere the private superpower monopoly is reaching out for new sites and seizing upon every possible resource from which power may be produced. Such efforts are certainly not entitled to the aid of this body or of powerful Government officials.

Unless the Government does something to offset the tremendous power which these interlocking monopolies will represent we are in a fair way to be at their complete mercy a few years

hence. Once the great power sites are gone we shall have no effective means to check and control rates and charges.

Fortunately for the country, public opinion is awakening to the danger. A determined effort is being made to save to the people the 2,318 municipally owned and operated electric-power plants remaining in the United States. In addition to these plants, there are 11 hydroelectric power plants scattered over the various irrigation projects, which, together with Muscle Shoals, make an even dozen now owned by the United States Government.

These will serve as a nucleus for a great Government-owned superpower system which under no consideration should be permitted to go into private hands. Adjacent to these projects there are over 1,500,000 horsepower of hydroelectric energy available for development, to say nothing of the 21,000,000 horsepower of potential hydroelectric energy on the Columbia and 6,000,000 horsepower on the Colorado. A substantial part of these potential hydroelectric possibilities should be developed by the United States and the several States and municipalities into a gigantic superpower system.

A development such as I have outlined would be a constructive conservation program of the highest order. The saving of fuel oil alone would run into the hundreds of millions of barrels annually, to say nothing of the large savings of coal and carrying charges. The reduced cost of electric energy and its abundance would make possible an enormous industrial development in the West and South.

In its legal and economic aspect there is no essential difference between a publicly owned utility and one in private ownership. A municipal corporation representing the taxpayers and voters of a city is very similar to the legal entity that represents the stockholders of a private corporation. While it is true that a municipal corporation may have some involuntary stockholders in any enterprise it may undertake, this does not destroy the analogy. There is this essential difference in aim, however: The municipal corporation seeks the largest service at the lowest cost, while the private corporation primarily exists to pay dividends to its stockholders.

The chief objections raised to Government and municipal ownership of public utilities are, first, that the Government should not enter the field of business in competition with private enterprise, and second, that experience in this country and elsewhere has shown such enterprises to be failures.

There can be no valid argument in support of the first objection if it can be shown that Government or municipally owned and operated public utilities on the whole furnish as good and cheaper service than private concerns. I therefore desire to direct your attention to the second objection raised. As a general proposition, I may state without fear of successful contradiction that municipally owned and operated hydroelectric plants have neither been a failure from the standpoint of service rendered nor have they been a disappointment as to the rates charged. A careful survey of the publicly owned and operated plants discloses that they are not only rendering high-class services but that such services are being furnished at rates much lower than those charged by privately owned plants similarly situated and rendering the same character of services.

In support of this last proposition let me call your attention to the municipally owned hydroelectric plant of the city of Los Angeles, Calif.

The bureau of power and light started out as a business enterprise in that city in 1917, closing its books that year with 8,500 customers and a gross accumulated income of \$570,000. At the end of the sixth year it had 163,000 customers on its books and an annual income of \$7,760,000.

During this six-year period from its operating income it has established a surplus or paid-up equity in its electric project of \$6,423,000 in excess of all liabilities, including total amount of tax moneys and other advances used for the benefit of power and light. This surplus exists after paying for operation and maintenance and making proper deductions for interest upon all outstanding power bonds and for depreciation in accordance with the standard practice in California for privately owned utilities.

During the fiscal year ending June 30, 1923, the gross earnings amounted to \$7,763,000, with a clear surplus after making all deductions as above indicated of \$2,694,000. Deducting the surplus from gross income, we find that the actual cost of service was \$5,069,000. If the rate charged by the Southern California Edison Co. in the largest cities in southern California outside of Los Angeles had been in force under private control, it would have cost the people of Los Angeles the sum of \$10,700,000 for the same service, with no corresponding application of surplus for the benefit of the consumers.

Since the city of Los Angeles started the agitation for a municipal power plant the rates for electric current for all purposes have been reduced nearly 100 per cent. This would have been utterly impossible but for the competition of the city rates.

Striking as has been the success of the municipally owned and operated electric power plant in the city of Los Angeles, the achievements of the Seattle plant, as disclosed by the annual reports, have been no less so. The success of the Seattle plant is particularly significant in view of the fact that the Stone and Webster interests still hold the cream of the business in the down-town district.

At the time the city plant was started, in 1902, users of current for electric light were paying 20 cents per kilowatt hour. The municipal plant started out with an 8½-cent rate per kilowatt hour, which was reduced in 1911 to 7 cents, and again in 1915 to 5½ cents. The new residence rate that went into effect in June, 1923, is 5½ cents for the first 40 kilowatt hours, 2 cents for the next 200 kilowatt hours, and 1 cent for all over 240 kilowatt hours used per month. As compared with rates charged in other cities of the same size it is estimated that the saving to the people of Seattle is no less than \$3,000,000 annually upon lighting and power alone, to say nothing of the huge savings to industrial enterprises.

As will be observed from the appended table, the plant during its life has returned from its surplus earnings and depreciation fund the sum of \$9,636,000, which has been used for extensions and betterments, so that the city now owns a plant valued at \$22,000,000, upon which it owes only \$13,000,000.

Statement of income, 1905 to 1923

Year—	Revenues	Expenses	Interest	Depreciation	Surplus
1905.....	\$45,470.10	\$23,659.35	\$40,687.50		\$18,876.75
1906.....	116,826.43	56,220.87	32,125.00	\$39,505.99	11,025.43
1907.....	195,881.07	90,688.33	35,875.00	45,231.38	24,086.36
1908.....	315,756.43	134,673.30	50,125.00	104,424.65	26,533.48
1909.....	463,662.88	162,292.96	58,847.50	143,063.14	99,459.28
1910.....	592,540.57	215,026.41	78,550.00	195,537.00	103,427.16
1911.....	713,929.02	314,848.05	84,957.50	161,581.57	152,541.90
1912.....	782,337.93	418,980.69	83,625.00	88,035.71	191,696.53
1913.....	904,870.77	353,255.24	83,625.00	193,332.85	274,657.68
1914.....	1,045,579.50	446,697.15	84,657.98	173,257.13	340,967.24
1915.....	1,063,730.02	589,831.09	103,237.84	178,627.72	192,033.37
1916.....	1,205,534.09	514,210.14	106,627.28	175,178.52	409,518.15
1917.....	1,329,808.97	609,472.87	110,746.21	209,258.64	400,518.15
1918.....	1,739,766.50	1,014,076.31	126,608.32	227,583.72	371,500.25
1919.....	2,087,563.45	1,189,837.97	179,601.85	244,128.10	473,995.53
1920.....	2,253,551.11	1,125,760.09	198,899.91	273,422.11	655,469.00
1921.....	2,469,983.42	1,039,611.35	196,451.85	280,932.40	952,987.82
1922.....	2,551,193.50	1,185,135.26	302,620.62	309,134.19	694,303.43
1923 (estimated).....	2,700,000.00	1,200,000.00	300,000.00	400,000.00	800,000.00
Total.....	22,578,000.00	10,684,000.00	2,258,000.00	3,502,000.00	9,636,000.00

¹ Deficit.

The city of Tacoma also has an excellent and successful city owned and operated light and power system. In a letter in response to mine of December 28, 1923, J. D. Ross, superintendent of lighting of Seattle, writes:

We have tied in with them [Tacoma] through a high-power line and now have a great superpower system stretching from the north of the State down through Seattle and Tacoma, and the Grays Harbor country is going to also tie in, so that west of the Rockies we have the greatest public superpower system in America. Our facilities will total about 1,000,000 horsepower.

It is not possible within the compass of a speech in this Chamber to analyze the results achieved in any considerable number of municipal plants, but I can not refrain from alluding to Ontario, Canada. This Province offers a very interesting example of what may be accomplished on a large scale by publicly owned hydroelectric power plants tied together in a great superpower system. Not only have the Canadian plants been maintained at a high state of efficiency, but have been able to furnish electric current at very low rates.

I believe that public ownership of public utilities has fully justified itself by experience. The cheapest water, light, and power rates in this country are provided under municipal ownership, and most of these enterprises that I have been able to examine have shown an efficiency rating fully up to the privately managed plants.

The reasons for this success are not far to seek. In the first place, the people themselves are vitally interested in efficient and cheap service. Their contact with the character of service rendered is daily and with the cost monthly. Hence there is a constant spur to those in charge of the service to do their best. Secondly, the service is maintained in the main by

a small but highly trained personnel who take pride in their work and who seek results.

The argument that politics would become a factor is not valid as there would not be a sufficient number of men employed to be a deciding factor in any political contest. There would therefore be little temptation for politicians to cater to the men employed to gain political advantage. On the other hand, the small group of men employed at each plant would offer little incentive to the employees to combine against the public interest.

Another objection frequently heard is that it would remove a large amount of property from taxation and indirectly increase the tax burden upon the owners of private property. In answer to this it may be said that the saving in the cost of current for all purposes in Seattle for the last fiscal year practically offset the entire tax burden levied for city purposes in 1923. Not only this, but the cheap energy furnished in both Los Angeles and Seattle so stimulated industry that many times the taxable value of the city plants has been added in new factories and equipment, to say nothing of the additional housing and other taxable values created in order to properly care for the employees of the new enterprises.

As a part of the program suggested we should proceed with all possible dispatch to complete Muscle Shoals and put it into operation as a Government enterprise. With the low cost of current there assured, we may confidently look forward not only to the successful manufacture of fertilizer but to a rapid industrial development in the South along such lines as are peculiarly advantageous to that section. Such development would not be confined to the immediate neighborhood of Muscle Shoals but would extend to a large scope of country in several States adjacent thereto. Cities and towns would enjoy rates much below present costs, not only by reason of direct Government competition but because of the potential competition in regions where rates are now excessive.

But important as is the completion of Muscle Shoals to the South the development of the Colorado River, and more especially the early construction of Boulder Canyon Dam, is even of more vital importance to the Southwest. The sword of Damocles is hanging over the farmers of the Imperial Valley; her beautiful cities are menaced, and the total destruction of her property and fruitful orchards is threatened. How deadly is her peril only those can realize who have made a careful study of the Colorado and the peculiar situation of this wonderful valley. Circling the Salton Sea, whose surface is 240 feet below sea level, is a teeming population who have made of this region a veritable paradise on earth. Against the menacing flood waters of the Colorado they have built embankments of shifting silt that melts like flour in the surging flood. The rising bed of the river year by year makes their task increasingly difficult and costly. Should the Colorado again break through and send its entire turbid flood into the Salton Sea as it did in 1905 and 1906 the valley is doomed. Instead of fruitful farms and beautiful homes and villages we shall have a vast desolation of inland sea.

It would not only mean a total loss of everything in the valley but in all probability would cost many human lives. The people in this region have about come to the end of the rope so far as self-help is concerned. If they are to be saved and a great national disaster averted, we must take steps to control the flood waters of that mighty stream.

Not only will the construction of the proposed dam at Boulder Canyon insure the safety of the people of the valley by putting an end to the flood menace, but properly equipped it will make possible the development of 600,000 continuous horsepower of electric energy, which is equivalent to 3,342,000,000 kilowatt hours annually. This tremendous amount of energy can be distributed at a very low charge and still create a sufficient income to care for operation, maintenance, and depreciation, and at the same time build up a sufficient surplus during a period of 30 years to retire the entire cost of the dam and electrical equipment. No part of the cost of the dam need or ought to be charged up against irrigation.

It is not my present purpose to enter into a detailed discussion of this proposed project, but it may be remarked in passing that this improvement will not only serve the purpose of complete flood control on the Colorado but will also supply the crying need for large additions to present available electrical energy in the Southwest and make possible the reclamation of vast areas now desolate with sagebrush, greasewood, and cactus.

The idea behind the Norris-Keller bill, H. R. 7789, seems to be the establishment of a complete Government or publicly owned electric power monopoly. I doubt the wisdom of this, but the publicly owned superpower system should be sufficient

in its ramifications to afford a safe basis for the control of rates and charges of concerns in private ownership. Could effective competition be maintained between private concerns there might be some excuse for permitting the rapid development of our hydroelectric resources by private capital. Experience has shown, however, that the tendency is toward centralization, monopoly, and price fixing. This development is fraught with great danger to the American consumer of electric current and we can not with safety or any due regard for coming generations permit it to proceed without an effective check.

Our water power and hydroelectric possibilities are the last natural resources left to the American people. Our oil, gas, coal, and timber resources have already practically passed into private ownership. The result has been exploitation and tremendous waste, to say nothing of high cost to the consumer. Our water-power resources are permanent in character. As other resources become more scarce and costly the value of these will be increased. The major portion of them should be retained in perpetuity by the people themselves. To permit our invaluable water-power resources to fall under the blight of private monopoly would be an act of omission of inexcusable folly. [Applause.]

DEPARTMENT OF PUBLIC SERVICE,
BUREAU OF POWER AND LIGHT, CITY OF LOS ANGELES,
January 23, 1924.

Hon. WM. WILLIAMSON,
Congressman Third District, South Dakota,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN WILLIAMSON: Your letter of December 28 has been much neglected on account of my absence a considerable part of the time from the office and because it was thought that engineers representing us would be in Washington and could better assist you than is possible through a communication of this sort.

I am inclosing copy of the rates of the Southern California Edison Co., which apply to Long Beach and all other cities, towns, and districts served by that company throughout southern California, except in Los Angeles, Pasadena, and Riverside, where the municipal rates apply and the Edison Co. does not serve.

I am also inclosing a copy of the ordinance establishing the municipal electric rates in Los Angeles, together with a supplement establishing a heating and cooking rate, and a copy of an audit report by Price, Waterhouse & Co. of the financial status of the bureau of light and power from its inception, as of June 30, 1923, together with a statement of the earnings and expenses; that is, operating conditions for each of the two years previous to June 30, 1923, with a foreword by the board of public service commissioners.

The heating and cooking rate was established primarily to take care of consumers in outlying districts who can not secure gas for such purposes on account of other fuel being very expensive here and the people generally not accustomed to their use. However, a great many people are taking advantage of it within sections which are supplied with gas service. The heating and cooking rates are not as low by any means as we could afford to offer, but until we are able to secure a block of additional power from the Colorado River at Boulder Canyon we are not justified in encouraging the use of electricity, with its saving of fuel and encouragement of industry.

You will note from the Price, Waterhouse & Co. report that the bureau's assets exceed its liabilities by approximately \$10,000,000, approximately \$3,500,000 of which is accounted for by tax money used for the benefit of the project before commencing operation and shortly thereafter, and the remainder, approximately \$6,423,000, representing accumulated surpluses over and above full allowances for interest on power bonds and full allowances for depreciation of plant during the period of operation since April, 1917, the time of beginning of the rendering of service by the bureau.

Previous to the establishment of municipal plants in Pasadena, and later in Los Angeles, rates were the same in the various cities of this section of the State and were 15 cents in Pasadena and 12½ cents in Los Angeles, later reduced to 12 cents in Pasadena and 11 cents in Los Angeles, about the time of the agitation of municipal ownership. Then when the first municipal power bonds were voted in Los Angeles, in 1910, the rates dropped to 9 cents in the city, with a view to heading off the agitation. A little later the city established a board of public utilities for the purpose of controlling privately owned public utilities in advance of the establishment of our State railroad commission. This board almost immediately reduced the rates from 9 to 7 cents; that is, the base rate for electric lighting and the rates for larger uses for electric lighting and for power were reduced in about the same proportion. At that time the companies declared that it would bring about their financial ruin and caused a referendum, which resulted in their being snowed under by a vote of the people. They also threatened a court action but were laughed at by those of us of the

city who were fixing the rate, saying that they did not dare start a suit against the rates because of the municipal power project, which was hanging over them. Later the rates were reduced by several steps, prior to the actual starting of service by the municipal plants, as shown in the inclosed statement, and the companies were not bankrupt.

You will realize that but for the threatening municipal system the companies would have gone to the courts, and, furthermore, they would have gotten an injunction against the establishment even of the 7-cent rate, because there would not have been engineers available, had it not been for engineers employed by the city in connection with the municipal project, who could have testified and qualified for such purpose; hence it follows that the representations made in the inclosed statement are entirely justifiable.

As stated therein, the city raised its rates by the comparatively small amount of 12½ per cent in order to make it possible to pay our debts for the construction of a second power plant out of revenues and thus avoid power shortage in 1919, 1920, and 1921, from which industry in the northern part of the State suffered very greatly, and which would have been experienced here had not the city come to the rescue, as the companies were not developing sufficient power. Bonds had been voted for the building of this plant, but were tied up in the courts by the power companies. On May 16, 1922, the city took over the distributing system of the Southern California Edison Co., paying it a handsome price for it, and immediately reduced the rates to all of the 120,000 consumers taken over by the corresponding amount of 12½ per cent, with a saving to the consumers of over \$600,000 per year. At the same time the municipal power bureau's surplus earnings were increased by \$750,000 for the first year after taking over the Edison system as compared with the previous year, during which the Edison system was operated by the company as agent of the city under an operating agreement. This shows very clearly the great advantage of operation by the municipal bureau of this system in conjunction with the distributing system which the city had previously constructed.

Recently the Edison rates have been reduced by the State railroad commission and the rates which I inclose are the present rates, which were made effective last November. The service which the municipal power bureau rendered to citizens of this city last year at a cost of \$5,069,000, as shown in the Price, Waterhouse & Co. report, would have cost at the present reduced rates of the Edison Co. approximately \$9,300,000. As explained above, the fact that the city's rates are higher than sufficient to cover costs is a matter of policy, and the real comparison between the results of municipal ownership and private ownership is not comparison between the rates charged by the municipal system and those charged by a private company, but a comparison between the cost to the city, including fixed charges, and what it would cost the consumers under the company's rates, as the surpluses are earned for the benefit of the city and used to make extensions, which means that in the future the municipal plant can give still better rates on account of a less debt against the system as compared with its value.

Very truly yours,

E. F. SCATTERGOOD,
Chief Electrical Engineer.

Mr. SANDLIN. Mr. Chairman, I yield two minutes to the gentleman from Michigan.

The CHAIRMAN (Mr. ACKERMAN). The gentleman from Michigan is recognized for two minutes.

Mr. CRAMTON. Mr. Chairman, there has been a rather important discussion in the past few months with reference to the success or failure of our irrigation projects; the Secretary of the Interior, Doctor Work, alleging that on certain projects unfair burdens in connection with construction costs have been imposed upon the settlers, and the former Director of the Reclamation Service, Mr. Arthur P. Davis, contending that the tables and statements presented by the Secretary of the Interior were not entirely accurate. The Secretary of the Interior having made his statement, Mr. Davis was permitted in the hearings of our committee, in connection with the Interior Department appropriation bill, to make a statement concerning the work of the Reclamation Service in that respect in the past. In reply the Secretary of the Interior made a further statement, which some time ago was placed in the Record by my colleague from Colorado [Mr. TAYLOR]. A further statement has now been made by Mr. Davis—a brief statement—which I think should be presented to the Congress in accordance with his request; and I will ask unanimous consent to extend my remarks at this time for the purpose of including this statement. I will say that as to the question involved I am not a party to the controversy, although the subject involved is one that I am watching with a great deal of interest because the ultimate proposal to wipe off the slate many million dollars of construction charges is involved.

The statement of Mr. Davis is therefore of importance. It is as follows:

In the CONGRESSIONAL RECORD of January 14 appeared a further statement by the Secretary of the Interior, the effect of which is to discredit the Reclamation Service and its work. He republished tables which he had previously published and which had been shown to contain many errors. The material is so voluminous that it would occupy too much space to reply to in full and this would be impossible without access to the files of the Reclamation Service and a large amount of investigation.

The Secretary appears to have presented that which can be construed as being discreditable and has ignored facts shown by the same records which would explain or tend to disprove his conclusions. It will be practicable only to refer to certain especially conspicuous instances which can be proved by memory.

The Secretary condemns the Reclamation Service for not including in original plans and estimates all the works necessary for the complete success of the settlers, laying special stress on drainage. Yet he has recently approved the construction of a power plant to pump water for the Gem district in Idaho, with which the service has had no connection heretofore, making no provision for drainage, canal enlargement or extension, or anything but the power system, apparently on the theory that the district has or will provide other essentials itself. He is following the same policy he condemns. If, in the future, the lands require drainage or the canals require linings to save pumped water, those operations will "increase the acreage cost" and expose him to the same criticism he makes against the earlier projects. He is following the same policy also with the districts under the American Falls Reservoir, on none of which he proposes drainage or anything besides water storage.

He dwells at length on the cost of the Gunnison Tunnel, which was let by contract to the lowest bidder who failed and never completed it; the Government proceeded with the construction and later advertised for bids for completion but on the advice of the water users, rejected the bids received and completed the work with its own forces. One of these bids was \$1,541,100; another was \$2,123,000, and the actual cost of the tunnel after completion was \$3,038,895. Upon this, the Secretary comments:

"What is to be said of an administrative official who will reject a bid of \$1,541,100 because it is too high and proceed to build works with Government forces at a cost double that of the lowest bid received?"

This caustic comment is a grave injustice to the late Secretary Hitchcock, the administrative official who rejected this bid, because the Secretary ignores the essential facts, as follows:

1. The rejection was made on the advice and request of the Water Users' Association who were on the ground and had contracted to pay the cost.

2. The bid of \$1,541,100 was only for completing the tunnel on which the Government was to furnish the cement. It did not include the work performed by the first contractor nor that performed by the Government nor the engineering nor the cement nor the overhead charges of the Reclamation Service, all of which are included in the figures of total cost given in his statement. The allegation here made and so often reiterated by the Secretary in other statements and press releases is therefore essentially misleading. A correct statement would make a very different showing. Moreover had the tunnel been let to the lowest bidder above mentioned he would have encountered the same difficulties as did the Government: treacherous ground, hot water, carbon dioxide, explosive gas and rising costs of labor and materials, and would have failed as did the original contractor. The result would have been further delay and increased costs.

Of another structure on the same project, he says:

"Another example may be found in a small weir or dam, constructed across the Gunnison River at the intake of the tunnel. The engineers estimated the cost of this weir at \$35,000. The actual cost as shown by a detailed statement in the history of the Uncompahgre Project, Volume III, page 156, is \$113,219."

The above statement is not correct. The quarterly estimates requesting authority for the construction of this dam foot up to \$113,650, which amount does not include overhead charges and is slightly more than the actual cost. This fact, the Secretary has not given. He has seized upon a proposal made by a subordinate to build a weir at this point which he thought could be constructed for \$35,000. Neither the plan nor the estimate was ever approved by the Director or Chief Engineer or any other responsible official.

The design was shown to be utterly inadequate and unsafe. The structure designed was not placed low enough in its foundation and had a very short apron below to receive the falling water. A new design was made correcting these faults and the dam was built substantially thus as redesigned. The latter design required about three times the amount of material shown in the first design besides more excavation. It has held while the first would have failed, and it was never estimated to cost \$35,000, as stated by the Secretary.

The Secretary compares the original estimated cost of the Uncompahgre project with the actual cost with the implication that these two amounts apply to the same works. He ignores the fact that the water users agreed to acquire the canal systems and provide the laterals necessary for the completion of the project, but failed to do so, and all this had to be done by the Government to make the project complete and increases the cost of the Government work, but greatly lightens the burden upon the water users who thus obtained all this value on long time without interest. Similar disregard of facts pertain to practically all the important statements he has made derogatory to the service so far as can be determined without access to the files.

An excellent illustration of the spirit of this whole propaganda is a quotation from the report of the Army engineers on the Yellowstone Dam, which he places in quotation marks, as follows:

QUOTATION IN SECRETARY'S STATE- CORRECT QUOTATION ENGINEER'S
MENT REPORT, PAGE 78

Based on experience elsewhere, this cost appears very high. It is thought that a dam equally secure and equally suitable could have been built following some cheaper type for a much more reasonable expenditure.

Generally the engineering structures seem to have been constructed economically, although based on experience elsewhere in the United States the cost of the diversion dam appears to be high. It is thought that a dam equally secure and equally suitable could have been built for a more reasonable expenditure.

Here the Secretary has cut a sentence in two and omitted a part, which caused the criticism to appear to be exceptional, and the word "very" inserted in one place and "much" in another place makes the criticism more severe than expressed by the Army board, whose statement is quoted. This quotation clearly shows the character of Doctor Work's propaganda against the Reclamation Service.

The Secretary quotes extensively from the Hensley report on the Salt River project, but he avoids disclosing the partisan and unfair nature of that investigation and report as shown by the official files and which was characterized by Secretary Lane, after investigation, as a "collection of lies."

In the progress of the investigation the attorney for the Water Users' Association, indignant at its one-sided character, demanded permission to place witnesses on the stand, but this was refused, the whole conduct of the investigation showing determination to induce accusations against the service and suppress rebuttal or favorable testimony. This attitude was so extreme and emphatic as to call out the following statement from Judge Kent, former chief justice of the Territory, who was present and well acquainted with the circumstances in the valley:

"The investigation of Salt River project by majority of the committee was partisan and political and showed no desire to obtain the real facts. Their report is not only inaccurate in its statement of facts but grossly misleading in its concealment of facts."

Mr. Roy Goodrich, a local attorney of high standing, who was also present, commented as follows:

"From my attendance at several sessions of the congressional investigating committee on Phoenix in 1912, I became convinced that the committee had no desire to arrive at the truth of the conditions in the Salt River project or even to treat the members of the Reclamation Service as a grand jury might, by making a fair inquiry into one side of the story, but the object of the investigation seemed to me to be an attempt to blacken the characters of members of the Reclamation Service. I deemed it shameful. I fully realize that this is very strong language, but I know Mr. Hill has spent several years at a salary much less than he could obtain elsewhere helping to make the Salt River project what it is to-day, and it is only common decency that his good name be defended by the citizens of our valley. It is of very little consequence to the Salt River project whether or not there be any change made in the personnel of the Reclamation Service, as our project is nearly completed, but it would be unfortunate indeed if detractors were permitted to drive from the service men of such strict integrity and great ability as Mr. Hill."

Judge Kibbey, attorney for the water users and former governor of the Territory, commented as follows:

"That investigation was a farce; it was worse than that even, for if it were that only it might be overlooked. It is false in so many particulars of which I have knowledge that I would not admit any conclusion to which it comes upon matters of which I know absolutely nothing. A more contemptible, pettifogging procedure was never pursued by any tribunal I ever heard of than that by that committee. Its methods, its manner, and its attitude were disgusting to any intelligent, self-respecting man."

The president of the Water Users' Association and many other leading men, including the Arizona Republican, the leading daily paper of Arizona, denounced the investigation and the report in strong terms.

ARTHUR P. DAVIS.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SANDLIN. Mr. Chairman, I yield two minutes to the gentleman from New York [Mr. GRIFFIN].

The CHAIRMAN. The gentleman from New York is recognized for two minutes.

Mr. GRIFFIN. Mr. Chairman and gentlemen, the Federal Trade Commission is not a hastily organized or ill-considered adjunct to this Government. Its growth has been an evolution. It was brought into existence by the banditry of profiteers, and it is the only instrumentality we have to combat commercial and industrial lawlessness. It was created under the act of September 26, 1914, amended by the Clayton Act, the Trading with the Enemy Act, and by the Webb-Pomerene law. It has rendered valuable services to the people of this country in penetrating the camouflage and in exposing the methods of certain commercial and industrial interests which have been mulcting the people out of millions of dollars. In other words, it has become the eyes of the Nation. If you put out those eyes, you put the people at the mercy of the malevolent and iniquitous trusts which have burdened the consumers with unlawful and unjust prices.

This proposal to reduce the appropriation, innocent enough on its face, contains a sly bomb which threatens the life of the Federal Trade Commission. If we permit the reduction of the appropriation recommended, we simply tie its hands. Then there is the proviso stuck in the paragraph which prevents the President, the Senate, or the House from separately initiating investigations. If we allow that to go through, it means the repeal of the existing law and the elimination of the commission as an adjunct of government. You will be putting out the eyes of the people.

The gentleman from Indiana [Mr. Wood], whom I esteem very highly for his zeal and for his genial characteristics, said here to-day that the Senate had initiated a great many inquiries and investigations which had been very expensive. That seems to be the sole burden of his complaint. When I interrogated him as to his precise information he admitted he did not know to what extent it had been abused nor even the extent to which it had been used.

The summary of the activities of the Federal Trade Commission since its organization which I put in the RECORD yesterday shows conclusively that the law has not been abused.

This summary shows the history of the investigations made by this commission. In the nine years of its existence it has conducted only 36 investigations. Six of them were initiated by the President, 7 by this House, and 23 by the Senate. Look at the list of those investigations. They investigated the Fertilizer Trust, the Harvester Trust, the Sugar Trust, the Wheat Trust, and many others which have been engaged in price fixing and in the unlawful restriction of production to prevent competition. Of course every one of these malefactor combinations resents the activities of the Federal Trade Commission. They would like to see it "hamstrung." If we consent to this maneuver at this time, the next move will be the abolition of the commission altogether. The Coal Trust, the Oil Trust, the Lumber Trust, and the Tobacco Trust, against which the shafts of the commission have been recently leveled, will all join in a paean of glorification, but the suffering consumers of the land will bow their heads in sorrow.

Gentlemen say that the activities of the Federal Trade Commission have been futile in practical results. If that is so, it is the fault of Congress. The commission can not legislate. All it can do is to recommend. Let those who want it abolished first show good faith by offering legislation to carry out its recommendations. If we sail on the rocks with our eyes open, it is our own fault.

We must be vigilant and watchful, and preserve this instrumentality to penetrate into the affairs of malefactor corporations and find out what is being done to cripple the public weal.

Mr. McKEOWN. Will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. McKEOWN. Does not the gentleman think that the functions of the Federal Trade Commission ought to be more expanded and given a wider range and that that commission ought to have ample authority and power to keep before the American people the conditions which exist in the great commercial enterprises of the country?

Mr. GRIFFIN. Indeed I do. Its powers should be expanded and increased instead of being diminished. It could help some considerably itself if, with every report it makes to Congress, it would submit a legislative proposal to correct the evil its researches disclose.

The effect of taking off \$200,000 from the appropriation for the Federal Trade Commission will, of course, be to prevent any further investigations. But it goes further; it practically legislates. The law, as it now stands, gives power to the President to initiate an investigation; the Senate on its own motion may initiate an investigation, and this House may pass a resolution to initiate an investigation, but this proviso says there shall be no investigation made by the Federal Trade Commission unless a joint resolution is passed by Congress and signed by the President. What a pretty mess we would be in and what a hopeless prospect there would be to have any investigation after going through such an ordeal as that.

The Senate would pass a resolution to investigate a certain price-fixing combination; it would come over to this side and be sent to a committee, which would hold hearings. If the resolution were ever reported out of committee, it would be an age before it would be considered on the floor of the House, with possibly no prospect whatever of passage, and in the meantime the occasion for the investigation would have passed.

Then, gentlemen, another point which is worth thinking of is in connection with the President's right to initiate investigations of this character. Suppose Congress is in recess between sessions and the President finds it is necessary to investigate something like the coal situation. We have had experience with that in the past and can realize how important that problem might loom and how dire the need of action might become. Under this proviso the President would be estopped from instituting such an investigation and his hands would be tied.

Mr. McKEOWN. Will the gentleman yield further?

Mr. GRIFFIN. Yes.

Mr. McKEOWN. Does the gentleman know who appeared before the committee and requested this reduction or upon what information this appropriation was reduced?

Mr. GRIFFIN. I do not think anybody appeared before the committee to request this reduction of the appropriation. I do not think anybody urged it very strongly except a mysterious few who were gunning for the Federal Trade Commission.

Mr. McKEOWN. I agree with and approve of what the gentleman has to say, because I think it is a most important thing for the country.

Mr. GRIFFIN. There is no public sentiment whatever for the crippling of the Federal Trade Commission. It is the eyes of the people and it ought to be maintained.

Mr. BOYLAN. Will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. BOYLAN. In the gentleman's opinion, is this not an indirect method of killing the commission?

Mr. GRIFFIN. Undoubtedly that is the purpose. [Applause.]

[Mr. GRIFFIN was given leave to revise and extend his remarks in the RECORD.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. UPSHAW].

The CHAIRMAN. The gentleman from Georgia is recognized for 10 minutes.

[Mr. UPSHAW was given leave to revise and extend his remarks in the RECORD.]

Mr. UPSHAW. Mr. Chairman, I ask that I be not interrupted until I finish what I have to say.

In the name of good government, and the cause of constitutional, national, and personal sobriety, I want to congratulate this country on the first public utterance of the new Secretary of the Navy. That stalwart son of North Carolina, Josephus Daniels, performed the glorious paradox of making the Navy dry. [Applause.] He practiced what he preached, and now the new Secretary of the Navy, Judge Wilbur, according to the Washington Times, which I hold in my hand, speaking last night at the New Willard, at the banquet of the Y. M. C. A.—that great organization dedicated to the building of character and manhood—dignified and sanctified his first public address by declaring that the eighteenth amendment can only be properly enforced by the personal practice of individual citizens and all officials.

It is a good day, gentlemen of this House—a good day for the majesty of our laws, a good day for the interpretation of our Constitution, and a good day as an example for your children and mine, when men in high political position personally practice what our Constitution prescribes.

And I want to congratulate the country on another recent public utterance of a man prominent now in the Nation's thought. As some of you present can witness, I have not always agreed with some of the things the present governor of New York has said and done, but I have been told by those who know him best that he is a man of remarkable personality.

[Applause.] It is a compliment to him that his own New York Representatives share that tribute to their chief executive by applauding that statement. Certainly he could not have been elected governor of New York a second time by such a large majority if he had not been a man of strong personality, and an able official.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. UPSHAW. I regret that I can not. I asked that I be not interrupted. I hope the gentleman can understand the meaning of the English language. [Laughter.] Very frankly, I can say what I am saying now in indorsement of Governor Smith's recent declaration in behalf of law enforcement without surrendering one jot or one tittle of my fundamental position. I regret, however, that the Governor of New York has not seen fit from the beginning to go all the way in this matter; but, like the clear-headed man he is and like the patriotic man I have been told he is, he recently came out in the open at a law-enforcement conference and declared that whatever a man's predilection might be, political or personal, it was the duty of all men in public life, especially official leaders, to stand for the enforcement of our national prohibition laws. I congratulate the genial Governor of New York; yes, and I congratulate the cause of sobriety in New York and the Nation.

I have spoken several times in New York during recent months in the cause of good citizenship. I had the honor of making the Washington Birthday address at a banquet of 1,000 men of the Trinity Bible Class down on Staten Island. I spoke also at the Washington Birthday celebration of the Cinema Players in Carnegie Hall; again before all the clashing though genial elements of the Sunrise Club, where that brilliant editor of Current History, George W. Oakes, united his fearless voice with mine in the cause of law enforcement; and yet again before a great audience in Calvary Baptist Church, where John Roach Straton preaches "old-time religion" with conquering power. I like New York, and I have a sort of banter to make to Governor Smith. I challenge him to invite the "gentleman from Georgia," representing the capital district of the Empire State of the South—with apologies to all other southern Representatives—to come to New York, the empire city of the Empire State of the Union, and speak with him on the same platform for the majesty of the eighteenth amendment and for personal and national sobriety. [Applause.]

I think it would have a wholesome local and national effect; yes; and it would also be a fine thing if we would schedule a state-wide campaign all over his great Commonwealth, with all of the 43 Congressmen from New York to go with us in a glorious round of law-enforcement meetings.

Mr. HOWARD of Nebraska rose.

Mr. UPSHAW. Excuse me, but I denied the gentleman from Maryland the privilege of interruption, and I can not be at all partial and yield now to the gentleman from Nebraska, of whom I am very fond.

Mr. HILL of Maryland. I will not take it as a personal discourtesy if the gentleman will yield to the gentleman from Nebraska. I will be very glad if he will yield. [Laughter.]

Mr. UPSHAW. I wish to say to the gentleman from Maryland that I am discussing a serious matter, and I must decline again to be the ringmaster of the Hill menagerie. [Laughter.]

Mr. HILL of Maryland. Now, will the gentleman yield? The gentleman has called me a menagerie, and I want him to yield a moment.

Mr. UPSHAW. Mr. Chairman and gentlemen of the House, this is no laughing matter. It would be one of the most inspiring pictures on the American continent if every one of the 22 Democrats and 21 Republicans—all 43 Representatives of New York here in Congress—were to join hands with Governor Smith, with all of his personal popularity and ability, and let us cover New York in a great campaign for personal and national sobriety. Do you know what would happen, my genial colleagues—you of whom I am personally very fond, every one of you? Why, we would make New York so "dry" that, in the language of Billy Sunday, a man would have to "prime himself before he could spit." [Laughter.] And listen. The opponents of prohibition say that there is only one thing necessary to lead to its repeal, and that is to enforce the law so you would make it objectionable. All right; come on, in all good humor I dare the whole New York combination to lead out in this business! I want to tell you it would electrify this country! It would be a wholesome example to all the great cities of the land, and even reach around the world!

What a glorious picture if the popular governor of the wealthiest State in the Nation were to lead New York back into the prohibition union and then dedicate all his splendid powers in leading the youth of his great empire to honor every inch and atom of our prohibition law. Remember that America

is the first great Nation that has outlawed the liquor traffic by due governmental process, that has put into its organic law its withering condemnation of a business that lives on the downfall of those who patronize it, and what a "bully" thing it would be if the greatest State in the greatest Nation on earth were to take a constitutional bath and lead America in this great transforming campaign. It would be a moral inspiration to the watching world. Come on, gentlemen, it is now time to applaud again. [Laughter and applause.] That remark was especially directed to the gentlemen from New York. [Laughter.]

I wish, in this connection, to underwrite in all heartiness the bill recently introduced looking to this very end by the gentleman from Kansas [Mr. AYRES], who was recently declared, you remember, by the great commoner, the stainless William J. Bryan, as a fit man for the Presidency.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. UPSHAW. Can you allow me two more minutes?

Mr. SANDLIN. I am only able to yield the gentleman one minute additional.

Mr. HILL of Maryland. I will yield the gentleman two minutes.

Mr. UPSHAW. Thank you. Mr. Chairman and gentlemen, the gentleman from Kansas [Mr. AYRES] brought out in his speech the other day the startling statement that the enemies of this law have 34 steamers and 132 sailing vessels engaged in the devilish business of trampling our Constitution, defying our flag, and filling their pockets with gold through the debauchery of American citizens. I am in favor of his bill, every inch of it, for I believe it is practical, imperative, and in consonance with the Constitution. His bill proposes to make men thus engaged guilty of the crime of piracy. The punishment proposed will soon stop the piratical profanation of American shores. Come on, New York, the star of prohibition is grandly rising to bless America and light the world! [Applause.]

MESSAGE FROM THE SENATE

The committee informally rose; and Mr. ELLIOTT having taken the chair as Speaker pro tempore, a message from the Senate by Mr. Welsh, one of the clerks, announced that the Senate had passed the following order:

Ordered, That the House of Representatives be requested to return to the Senate the bill (S. 2299) entitled "An act to validate the payment of commutation of quarters, heat, and light under the act of April 16, 1918, and of rental and subsistence allowances under the act of June 10, 1922, and for other purposes."

FEDERAL TRADE COMMISSION

The committee resumed its session.

Mr. WOOD. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

[Mr. TREADWAY was given leave to revise and extend his remarks in the RECORD.]

Mr. TREADWAY. Mr. Chairman, I was much interested a few moments ago in listening to the gentleman from New York [Mr. GRIFFIN] praising the acts and the ability of the Federal Trade Commission. I believe he remarked that the Federal Trade Commission was the eyes of the people. If the Federal Trade Commission is all the eyes that the people of this country have, they are certainly badly blindfolded, because the Federal Trade Commission during its life of nearly 10 years has not justified its existence or demonstrated its benefit to the American people in any way or manner. It has been a Democratic pet. It was started during the Wilson administration, and I am very glad to see that our Democratic friends are coming to its defense. The item we are discussing in the bill is placed there so that if that commission functions at all it will do something worth while. It has not done anything worth while, but it has had the constant support of the Democratic Party in this House.

Mr. GRIFFIN. Will the gentleman yield?

Mr. TREADWAY. I will yield to the gentleman.

Mr. GRIFFIN. What has the gentleman or Congress done toward carrying out recommendations of the Federal Trade Commission; all they can do is to make a recommendation.

Mr. TREADWAY. That is true; they have made numbers of useless recommendations that can not be carried out under the Constitution. The minute they try to carry them out the courts interpose. There is a great difference between merely making recommendations and carrying them into effect. Let us see what Justice Holmes, of the Supreme Court of the United States, has said on that subject. In connection with one of the investigations Justice Holmes says:

Anyone who respects the spirit as well as the letter of the fourth amendment would be loath to believe that Congress intended to authorize one of its subordinate agencies to sweep all our traditions into the fire and to direct fishing expeditions into private papers on the possibility that they may disclose evidence of crime.

In other words, the Supreme Court says that they must have evidence to submit, not innuendoes of conspiracies. The great word of the Federal Trade Commission used in the voluminous report is "conspiracy." So the minute they bring any charge against a business concern they at once put them into a classification of being criminals, they are accusing them without proof that they are entering into a conspiracy.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. TREADWAY. I will yield to the gentleman from Tennessee.

Mr. GARRETT of Tennessee. Do I understand the gentleman from Massachusetts to mean that he is in favor of abolishing the Federal Trade Commission?

Mr. TREADWAY. I am, I never thought it did any good to anybody, not the slightest except to hamper business. I wish the committee had gone further in its recommendation. I advocated on the floor last year doing away with the appropriation for the Federal Trade Commission. That may be going too far, but nevertheless I am glad the matter has come up, for you can not support or justify the existence of this board.

Mr. GARRETT of Tennessee. I have got the gentleman's statement and that makes the issue clear. The gentleman favors the abolition of the Federal Trade Commission.

Mr. TREADWAY. I do; I do not think it has justified its existence. It has hampered business, and the money going into the support of this Federal Trade Commission would be much better expended if turned over to the Tariff Commission to investigate why we are able to import goods into this country at a less cost than they can be manufactured here, thereby closing our mills down. We could much better use the money along that line than in the investigations that only hamper and hamstring the business of the country to-day.

Mr. GARRETT of Tennessee. The Tariff Commission has nothing to do with this.

Mr. TREADWAY. Not at all, but I say I would a great deal rather see the money that we spend on the Federal Trade Commission turned over to some good use by the Tariff Commission.

Mr. GARRETT of Tennessee. The gentleman means to turn it over to the Tariff Commission?

Mr. TREADWAY. The gentleman understands my purpose and knows what I am referring to. I am referring to possible investigations why we must import articles into this country to undersell our own articles manufactured at home. I say it would be better for an inquiry of that kind than to give it to the Federal Trade Commission to hamper our American business people employing American labor and accusing them of entering into conspiracies. The Federal Trade Commission is on a fishing expedition, as was so well said by Mr. Justice Holmes.

Just to show you how these little acorns grow into big oaks, let me say: The Federal Trade Commission was started in 1914. For the first fiscal year the appropriation was \$269,000. This was quickly doubled—some years reaching the sum of over \$1,000,000. The highest amount expended by it was \$1,477,000. The amount expended in the fiscal year 1923 was \$931,000.

Now, the fault is being found because the Committee on Appropriations rightly has reduced the amount to \$750,000, and limited their sphere of activities to within the law of the land. The gentleman from Kansas [Mr. AYRES] complained that we lost the experts that were used by this board and that they went into private business enterprises. Certainly, that is the trouble with all departmental work, that private corporations and business firms can afford higher salaries than the Government itself pays. There is no reason why we should give this commission more experts to lose.

Mr. BOYLAN. Does not the gentleman think that that is a good argument why the Government should pay decent salaries?

Mr. TREADWAY. Oh, I agree with the gentleman on general principles, but I think we are paying too much to this Federal Trade Commission. If these commissioners are worth \$10,000 a year each, what is the value of a Congressman's services? The members of the Federal Trade Commission are each paid \$10,000.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I wanted to go to some other subject, but I can not resist the bland smile of my friend from Oklahoma. I yield.

Mr. CARTER. I thank the gentleman very much. We have also in this bill a provision with reference to the Shipping Board, where so-called experts are paid not only an excess in amount of a Congressman's salary but almost twice as much as the salary of a Chief Justice of the Supreme Court. Will the gentleman go along on that proposition?

Mr. TREADWAY. I prefer to keep to this other subject. We ought not to spread it out too thin. If I were going to offer suggestions to this board of something of value, I would suggest that it investigate the contract that we read about in the papers this morning. Can anybody tell me why Mr. Dempsey, the prize fighter, should secure a contract to go into the moving pictures for a million dollars? He may be a good prize fighter, but I did not know that he was an actor until I read of his contract, and that his services as an actor were worth \$1,000,000 to the movies. Let them investigate something like that, because we will have to pay for it; we will have to go to the movies to see that film.

Mr. CARTER. And of course the gentleman would not go?

Mr. TREADWAY. I probably would. I have to help support them, of course.

Mr. GARRETT of Tennessee. And what about the contract of Mr. Hays, which I see has been renewed?

Mr. TREADWAY. Oh, that has nothing to do with this. I do not know anything about that or how much Mr. Hays gets. This is a separate item in this morning's paper that I saw that Mr. Dempsey had entered into a contract for \$1,000,000. I do not know what Mr. Hays is getting, but he would earn it more than would Mr. Dempsey.

Mr. MADDEN. Is Mr. McAdoo's contract with the moving-picture interests closed?

Mr. TREADWAY. I do not know anything about that, and I do not know anything more about Mr. Dempsey than I read in the paper this morning. One other reference to these investigations that the gentleman has said so much about being made by the Federal Trade Commission at the request of Congress. Thirty-six of them have been made over a period of 10 years. Could that justify an expenditure of \$750,000 in the coming year? Here is one of those investigations which the gentleman from New York put into the Record this morning, undoubtedly at the request of the commission itself, because they have good press agents here. Here is one of them made in the Sixty-fourth Congress:

ANTHRACITE

(S. Res. 217, 64th Cong., 1st sess.)

The rapid advance in the prices of anthracite at the mines, compared with costs, and the extortionate overcharging of anthracite jobbers and dealers were disclosed in this inquiry, and a system of current reports called for regarding selling prices which substantially checked further exploitation of the consumer.

Mr. Chairman, at the time that investigation was made in the Sixty-fourth Congress anthracite was selling for \$8 a ton in my section of the country. To-day it is selling for \$16 and \$16.50 a ton. If the exploitation of the consumer was stopped when the price has raised more than 100 per cent, what in Heaven's name would have been the condition if this investigation had not been made by the Federal Trade Commission at all?

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes; if the gentleman can answer that question.

Mr. CARTER. The gentleman, of course, is referring to the time the resolution was passed, and not the time that the investigation was completed.

Mr. TREADWAY. Oh, no. I find here the positive statement—

which substantially checked further exploitation of the consumer.

They never checked a bit of it. The consumer has suffered continuously from that time up to this. We could expend the \$750,000 to much better advantage by establishing some kind of a commission that would regulate the price of fuel rather than attempt to regulate the business of the country in the hamstringing way that the Federal Trade Commission is doing.

Mr. CARTER. But the gentleman does not catch the suggestion that I make, to wit, that he is referring to the time the investigation was ordered and not as to the time that it was completed.

Mr. TREADWAY. Oh, we will not beg words on it, because the facts remain that coal has doubled in spite of the investigation.

Mr. MADDEN. Does the gentleman tell us that the price would have gone down if the investigation had not taken place?

Mr. TREADWAY. I think very likely it would; but as far as the truthfulness of the findings is concerned, I leave that to the gentleman's own judgment. Another one of these investigations was made against a great industry largely located in my district, namely, the paper business. A Philadelphia lawyer would be kept busy filling out answers to the foolish inquiries sent to the paper mills by the Federal Trade Commission, which finally acknowledged itself was of no value in that it discontinued these inquiries some months ago.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield before he goes to the paper business?

Mr. TREADWAY. Very well.

Mr. GRIFFIN. Before the gentleman leaves the coal matter.

Mr. TREADWAY. Oh, all right; I like that coal subject. Unless a man rides a hobby, as the gentleman from New York [Mr. GRIFFIN] and I do, he does not get anywhere in this world. The reduction in the price of anthracite coal to the consuming public is my hobby.

Mr. MADDEN. It keeps the gentleman warm.

Mr. TREADWAY. Yes; and if I can assist in reducing the price our people can keep warm next winter.

Mr. GRIFFIN. Will the gentleman say what is the consequence of the findings of the fact-finding commission that was appointed some time ago?

Mr. TREADWAY. If this Congress would employ as much time in establishing proper supervision of the coal industry as it has spent to-day in talking about the Federal Trade Commission, and if we had the amount of money that is being appropriated for the Federal Trade Commission and turned it over to a coal commission having regulation and control of price, distribution, and quality of coal, it would accomplish a great deal more for the people than any investigation that the Federal Trade Commission has ever conducted.

It would be extremely difficult to definitely indicate any benefit the Federal Trade Commission has been to the American people in its 10 years of existence. It now and again puts up a great howl of expectation only to be stopped by legal procedure. There is evidently a marked difference of opinion between its ability of accomplishment and its rights as interpreted by the courts. The Committee on Appropriations is not only justified in reducing the appropriation for this useless commission, but I for one would be glad to see them recommend no appropriation, and in this way close up an entirely unnecessary and unprofitable commission.

I notice in the annual report that there are proceedings pending on June 30, 1923, to the number of 231. Some of these are over a considerable length of time and involving court proceedings. I submit that the business interests of the country should not be upset by such uncertainties as these firms have been obliged to suffer.

Further, the report shows that they ordered 78 concerns "to cease and desist from the practices alleged in the complaint." Whether they do so or not no one knows, as the commission has no power of enforcement. The number of complaints dismissed was 48, showing the commission occasionally was willing not to hamstring business.

There are ample ways of protecting the people against unfair methods of business without giving the appearance in all instances of lawbreaking against the firms or companies employing American labor. Congress can well dispose of the services of a commission that hampers rather than aids business.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. SANDLIN. Mr. Chairman, I yield eight minutes to the gentleman from Nebraska [Mr. HOWARD]. [Applause.]

Mr. HOWARD of Nebraska. Mr. Chairman and gentlemen of the committee, I remember one of the last things a good old lady said to me when I was leaving my home country for the zone of statesman. She said, "Edgar, I want you to be an absolutely true representative of your people." I have found an exemplar to-day, and I wish that every one of us on this floor, and particularly from the agriculture zones of the South and the West, could be and would be as absolutely true to our home people as the magnificent gentleman from the little manufacturing State—the gentleman who has just spoken. [Applause.] How magnificent he is in his loyalty to those interests which do not like the Trade Commission. Gentlemen of the House, do you know which interests are particularly desirous of ham-

stringing the Trade Commission? I know two of them; I might mention others. One of them is the Steel Trust and another one is the Packers' Trust. The gentleman from Massachusetts has magnificently voiced the sentiment of both of those great interests, and, of course, without any knowledge on their part that he really entertains their sentiments.

Mr. TREADWAY. Will the gentleman yield?

Mr. HOWARD of Nebraska. Oh, yes.

Mr. TREADWAY. The gentleman realizes that neither of them are in any way connected with the people I represent.

Mr. HOWARD of Nebraska. Oh, certainly. But my experience in the political game leads me to believe that all of those interests I have mentioned work together hand in hand with the interests which are dear to the Massachusetts heart. They dovetail just like that and always work hand in hand for everything to profit any one of them. I particularly want to call attention of the gentleman to the statement that he made regarding the \$1,000,000 fee promised to a fellow by the name of Dempsey to participate in the movies. You know I do not believe that statement about that \$1,000,000. It sounds to me just exactly like the promises in the 1920 Republican platform. [Laughter and applause.]

Mr. TREADWAY. Would the gentleman mind being interrupted?

Mr. HOWARD of Nebraska. Not at all.

Mr. TREADWAY. The gentleman is such a well-known newspaper man that I am sorry to notice that he is rather injuring the reputation of his own profession in getting that statement in the papers.

Mr. HOWARD of Nebraska. Not at all. The gentleman does not understand—

Mr. TREADWAY. Probably not.

Mr. HOWARD of Nebraska. The highest type of human being in America's professional life to-day is the newspaper writer. [Applause.] One of the lowest types of human beings in America is sometimes the newspaper owner. [Laughter and applause.]

Mr. Chairman and gentlemen, I have only a very few minutes now, and I would like to yield, I will yield to anybody but let me rise now to this parliamentary inquiry. I feel I have been greatly abused. Some nine weeks ago I introduced in this House a resolution calling upon the Attorney General of the United States to furnish this House certain information regarding the number of graft-prosecuting attorneys he had employed, the amount of salary he had agreed to pay to each one, the number of convictions scored by the graft prosecutors, the names of the convicts and the names of the penitentiaries in which they are confined, together with the amount of time devoted by any of these graft prosecutors to the organization of campaign clubs or committees in behalf of any candidate of any party for the Presidency of the Republic. Well, you know I am tender-hearted. The Attorney General went away on sick leave, and I could not call up my resolution while he was gone. He came back, and I asked the Judiciary Committee to put it out. I went before that committee, and it was not an executive session of the committee, and I feel it would not be unparliamentary on my part if I shall tell what happened there. One of the members of the Committee on the Judiciary accused me of playing politics [laughter]. He asked me why I did not make my resolution go back and include the attorneys of the Wilson administration.

I told him it would make me happy if he would make the resolution go back far enough to include the administration of a little shrimp by the name of Palmer, so possibly we might grab him by the back of the neck and throw him into a place where the political sunshine might not bother him again. [Laughter and applause.] Well, I find they did not do that. They did grant my plea, and finally they reported out my resolution. I do not know where it is now. I am told that under the rules the resolution is of high privilege. I guess it is my fault I have gotten into trouble. Here is my trouble. What am I to do? I am calling for information from the Attorney General. We have no Attorney General. [Laughter.] He has faded away. The place which knew him as of old knows him no more forever—so the President says. Now what am I to do? Well, I will say I guess it is my own fault. One day we were considering a resolution with reference to the Attorney General, and you will recall that I made a request of the gentleman from Ohio, the minority leader [laughter], that he would take a bulb of Xanthium and place it in juxtaposition to the posterior part—the official part, I mean—of the Attorney General, to cause him to move. He has moved, and I can not get my information. What am I to do? [Laughter.]

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. BOYLAN. Mr. Chairman, a parliamentary inquiry. The CHAIRMAN. The gentleman will state it.

Mr. BOYLAN. Mr. Chairman, I would like to know of the gentleman who has just concluded [Mr. HOWARD of Nebraska] whether or not he has been true to the request made of him by the old lady from Nebraska? [Laughter.]

Mr. SANDLIN. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. SHERWOOD].

The CHAIRMAN. The gentleman from Ohio is recognized for five minutes.

Mr. SHERWOOD. Mr. Chairman, after so many discussions about questions of continental import, I hesitate to speak. I want to call your attention to an item in the bill which calls for an appropriation of \$100,000 to make safer the Perry Monument on Put in Bay Island. That monument is the tallest monument in the world, outside of the Washington Monument, and it stands for more than any monument in the world, outside of the Washington Monument. It is 352 feet high, and it cost \$650,000. The Government has invested in that monument \$250,000. The balance was contributed by States and by civic associations.

I want to say that this item is for the completion of the foundation and the protection of the monument. This monument is placed on an arm of Put in Bay Island. The foundation is in danger now, and the commission in charge of the monument, which is serving entirely without salary, has made a report, and that report states that if these improvements are made and the approaches of the monument are completed, it will be of no further expense to the Government, but it will be a source of revenue to the Government.

Put in Bay Island has become a Mecca for excursionists for about two months in the year. There visit every day in those two months from 1,000 to 2,000 excursionists. There is an elevator in the monument, and the revenues of the monument will be a source of profit to the Government if the improvements proposed are completed.

No event in the heroism of our history is more worthy of continental commemoration than Commodore Perry's marvelous victory at Put in Bay.

The victory of September 10, 1813, measuring the unequal contest and its value to the country, is the most signal victory ever fought on fresh water. This battle settled the supremacy of the United States on all the Great Lakes. It was the most potent factor in fixing the boundary line between the United States and Canada for over 3,000 miles from the east of Lake Ontario to the Pacific Ocean. Had Commodore Perry lost the battle, the great States of Michigan, Minnesota, North Dakota, Montana, and Washington would probably have become Provinces of Great Britain.

Not only was this victory the most remarkable in heroic achievement but the most far-reaching in results. It was a battle of volunteers or pick-ups against the trained and seasoned regulars of the British Navy. The three brigs, five schooners, and a sloop, all there was of Commodore Perry's fleet, were built of green timber at Presque Isle, now the harbor of Erie, out of the green forest trees of Pennsylvania, under the direction and supervision of Commodore Perry. The British fleet consisted of two big warships, two brigs, a schooner, and a sloop. Perry's fleet carried 54 guns, while the British fleet was equipped with 63 guns, and the guns of the warships were all of longer range than any of the American fleet.

Our volunteers and pick-ups were commanded by a young man only 28 years old, while the British fleet, manned by regulars, was commanded by Captain Barclay, a distinguished and experienced officer, who had commanded a warship eight years before in the signal victory of Lord Nelson at Trafalgar. The battle lasted 3 hours and 15 minutes, and resulted in complete destruction or capture of the entire British fleet. That it was a desperate contest is evidenced by the fatalities in both fleets. Our loss was over 25 per cent in killed and wounded, while the British loss was 30 per cent in killed and wounded and 100 per cent in killed, wounded, and captured.

Not only was this victory the most signal ever fought on fresh water but its far-reaching results were of inestimable value to the United States.

Perry's victory wrote the name of the United States of America high on the map of the Western Hemisphere. It insured the unprecedented growth of our Great Lakes ports, with their vast commercial and industrial relations, under the American flag. Thus it gave to the sisterhood of States the agricultural and mineral resources of a territory second to none in the world. Thus it bound to the destiny of the Republic each noble Commonwealth whose slightest border is laved by the Lakes, welding the strongest links in the

chain of our national progress and providing foothold and freedom for the development of the ever-expanding continent. [Applause.]

Mr. WOOD. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. SWING].

The CHAIRMAN. The gentleman from California is recognized for 10 minutes.

[Mr. SWING was given leave to revise and extend his remarks in the Record.]

Mr. SWING. Mr. Chairman, the bill which is before the House to-day carries an increase of \$1,000 a year in the salary of the secretary of the Federal Power Commission. I want to discuss that item. I would not take the time of this House to discuss \$1,000, more or less, if that were all the far the matter went, but my fear is that this country is going to pay many thousand times \$1,000 if the secretary of the Federal Power Commission is permitted to carry out his ideas unrestrained.

The secretary of the Federal Power Commission is in reality the commission. Everyone knows that the three Cabinet members have all they can do to take care of their respective departments. So far as the functions of the Federal Power Commission are concerned, they of necessity must depend upon their subordinates, chief of whom is the executive secretary.

Secretary Weeks, when testifying before the House Committee on Irrigation and Reclamation a few days ago, stated:

There are not hours enough in the day to enable me to do my legitimate duties as Secretary of War.

Mr. LITTLE. I understood you to say—and I think you are quite justified in your judgment—that with your position as Cabinet member you have had too much to do, anyway, without attempting to handle all that stuff—

Referring to the duties of the Federal Power Commission.

Secretary WEEKS. That is my personal opinion.

There is no question but that the secretary of the power commission performs many of the duties of that body, and if the quality of his work is as good as its quantity, then the increase of \$1,000 is amply justified. But what do you say to the spectacle of a man who is sworn to uphold the law going about the country busying himself at every opportunity in an endeavor to undermine and overthrow the declared policy of that law, which law affords him the occasion of drawing his salary? [Applause.]

Whether you agree with the policy laid down in the Federal water power act or not, no man who can read can mistake the fact that on its every page there is written a preference for State and municipal development of water-power facilities over private corporations.

Paragraph 4, section (e), provides:

That upon the filing of any application for a preliminary permit by any person, association, or corporation the commission, before granting such application, shall at once give notice of such application in writing to any State or municipality likely to be interested in or affected by such application.

Thus, you see, even if the city or State has not declared its interest in a power site, nevertheless the commission is required to invite their attention to the fact that some corporation is applying to secure a water-power facility which they might desire to develop, and this for the purpose of enabling the State or city to secure the site in preference to the private corporation.

In section 7 it is expressly provided:

That in issuing preliminary permits hereunder or licenses * * * the commission shall give preference to applications therefor by States and municipalities, provided the plans for the same are deemed by the commission equally well adapted or shall within a reasonable time * * * be made equally well adapted * * * to utilize in the public interest * * * the water resources.

So that not only is the attention of the State and the city called to the application of the private corporation for a permit upon a desirable water-power site but the city and State are actually invited to make an application, with an assurance that their application, although subsequent in time, will be granted by the commission in preference to private corporations if their plan is equally in the interest of the public.

Notwithstanding this, on the 8th day of October, 1923, the secretary of the Federal Power Commission in his speech before the Empire State Gas and Electric Association, at the Lake Placid Club, New York, said:

California went through an expensive campaign only a few months ago to defeat the proposals of those who would reverse the established policy and risk the wrecking of existing systems that they might embark the State on the troubled sea of political ownership.

That is the manner in which he refers to the efforts of the citizens of my State to participate in the benefits of the Federal water power act. In his zeal to discredit it, belittle it, and make light of it, he cynically calls the effort of the sovereign State of California to put itself in a position to avail itself of the rights and privileges of which this law invites it to partake, "embarking the State on the troubled sea of political ownership." He refers to an "expensive campaign," but does not say who put up the money to defeat the proposal, but, fortunately, I hold in my hand the report of a legislative committee of the State of California, which investigated the matter. I will read you their words:

The campaign against the water and power act was financed almost entirely by half a dozen public utility companies engaged in generating and selling electrical energy.

It then found that they spent in excess of \$500,000.

And in discussing the methods pursued, the committee said:

It has been previously stated that the two outstanding features of the committee's investigation were:

- (1) The discovery of startlingly large expenditures, and
- (2) The use of questionable, misleading, and deceptive campaign methods.

That is the way the water power act was defeated in the State of California last election. The proposition is on the ballots again and coming up in the next general election, and Mr. Merrill knew when he delivered this speech that it would be printed and distributed broadcast by the private power companies throughout the State of California in another desperate effort to prevent the electorate of that State from adopting the proposed law placing the State in a position to do what the Federal law invites it to do—develop some of the power resources of the country in the interest of the people.

Again, before the National Electric Light Association, an association of electric utility companies, on June 8, 1923, at New York City, Mr. Merrill said:

Another deterrent factor in power development is the strife between the policies of public ownership and of private ownership with public regulation; or rather, the efforts of advocates of the former to prevent or limit through political pressure the development under the latter of the water power resources of certain States.

Of course he makes no reference to the efforts of the private power corporations "to prevent or limit" the development of power by States and cities. The efforts of the private power corporations along that line, such as took place in California, excites no comment on the part of Mr. Merrill because in his opinion they are entirely justifiable.

If, he says further, public ownership can produce these results by honest competition rather than by political assault, it will and should survive. In view, however, of the character of our political institutions, I seriously doubt if public management can, except in rare instances and under special conditions, compete in character or cost of service with private management publicly regulated.

Again, in an address delivered at the Southern Appalachian Water-power Conference, Asheville, N. C., June 27, 1923, Mr. Merrill said:

We should not overlook the necessary limitations that surround public ownership. Its field of operation is limited to the territory over which the particular public agency exercises jurisdiction. Even were it state-wide—something not yet attempted in the United States—it still would have a field far less than many of our existing power systems already cover. It can not, therefore, irrespective of efficiency of management, secure the full economies of group development over wide areas. This, however, is among the least of its limitations.

It is not necessary to read further. It is sufficient to say that he continues to urge all the stock objections against public ownership.

Again referring to Mr. Merrill's speech before the National Electric Light Association, we find after reciting the rapid development by private power companies he says:

I have cited these examples to show how the situation has changed within these last three years and what can be accomplished under the Federal water power act if its administration is given adequate facilities and if it can proceed without political or other interference. Is there any good reason why it should not so proceed? Certainly not from the standpoint of the National Electric Light Association * * * You gentlemen can not complain of the manner in which it has been interpreted and administered.

Here apparently is the willing servant of the private power interests rendering them an account of his stewardship and seeking their approbation. Can they complain of his adminis-

tration? Certainly not! However, if Mr. Merrill desires to act as the advocate of the power companies, he should cease pretending to act for the people. Let the secretary of the Federal Power Commission bring himself into conformity with the public policy declared in the Federal water power act or vacate the office he now holds under that law.

Mr. SANDLIN. Mr. Chairman, I yield to the gentleman from Nebraska [Mr. MOREHEAD].

Mr. MOREHEAD. Mr. Chairman and gentlemen of the House, having spent the greater part of my life in an agricultural district I have always been impressed with the fact that we who engage in farming or stock raising have rather the worst end of the deal. It always appeared to me that the older sections of the United States underestimated the importance of the farming section of our country.

It was gratifying to me to have a report made by the Secretary of Agriculture showing the purchasing value of a farm dollar in comparison with other lines of business. This extends back only to 1890 and it shows that its purchasing power that year was 83 cents. The first time that the purchasing power was greater than 100 cents on the dollar, I find, was in the years of 1912, 1914, 1915, 1917, 1918, and 1919. At the present time, as this report shows, the purchasing power of the dollar, from an agricultural standpoint, is 59.5 per cent.

Realizing the importance, as I view the situation, from an agricultural standpoint, I have hurriedly prepared my ideas and as an individual have given them in this statement.

Mr. SHERWOOD. What is the date of Secretary Wallace's report on that?

Mr. MOREHEAD. General, this is given as issued February 27, 1923, and runs back to the year of 1890, and you and I remember the conditions prior to that time, which more thoroughly convinces me that we have not, from an agricultural standpoint, ever had our just deserts or the consideration that the agricultural section of this country is entitled to.

The law of supply and demand has been recognized as regulating the price of products. But the high tariff law now in effect prohibits importing certain commodities, thereby allowing a few men to fix the prices on manufactured articles. Not being satisfied with destroying competition, they regulate the output of the factories and of the coal supply by limiting the amount mined. Nebraskans during the past winter have been paying \$20 to \$24 per ton for coal that a few years ago sold from \$8 to \$10 per ton; other grades of coal have proportionally doubled in price. A part of this is due to high freight rates regulated by the Interstate Commerce Commission, who sit but never hatch.

By keeping out foreign competition, regulating the output and price fixing, the farmer or consumer has been getting the worst of the deal for a number of years. The farmer must sell his products in the world markets without regulation and has been receiving less than production price, which has caused many to lose their farms; and it seems the worst is yet to come.

The protected corporations, who are exceedingly prosperous, attribute the farmer's deplorable condition to buying too many automobiles, feeding and clothing his family too well; in other words, the farmer is to give more hours of labor with less pay than any other line of business, without the necessary comforts for his family. He must sell his products in a world market and buy the necessities of life in a protected market, where a few men dictate what he shall pay.

The people have been leaving the farms during the past two years at the rate of 100,000 a month.

The Wall Street Journal, of New York, the mouthpiece of the large protected interests, and spokesman for them, always opposes any legislation looking to the betterment of the farmer, and any move to stabilize or to better the condition of the farming section is regarded by them as hostile to certain sections of our country. Their motto, "Cheap food, cheap labor," the campaign slogan of 1920, was to reduce the high cost of living. No other way except to reduce the cost of farm products, and to my surprise the farmers joined in the procession and proceeded to help deflate themselves, which ultimately bankrupted so many of them, as it meant cheap wheat, cheap corn, and cheap meat.

The farmers of the West in desperation are turning to dairying. Some eastern newspapers discredit the central and western farmers, saying that it will injure the business of the eastern dairymen. If a move in legislation were made to regulate the textile, metal, wool, and leather interests the whole Nation would be disturbed by protests from the eastern papers that can not see farther west than the Allegheny Mountains, although these same States would starve in short order if left to feed themselves.

Their endeavor is to beat down the farmer to peasantry, but they forget the fact that the best customers of the mills and the factories are found in regions that are now in distress. And the demand created for the manufactured article is made possible largely by the prosperity of the farmer.

The farmer has a just complaint, regardless of statements made by people in other lines of business. He has been discriminated against more than any other line of business for many years; however, at this time his condition is more dangerous than at any time in my recollection.

Prices of farm products are not as low as I have seen them, but the manufactured articles he must buy are without exception more expensive in proportion to what he has to sell than at any time in the past.

The following comparisons will show what he has to pay compared to the prices he receives now and before the war:

	Per cent
Cloth and clothing advanced.....	101
Fuel and light.....	67
Metal and metal products.....	41
Building material.....	81
House furnishing goods.....	76
While crops and live stock have advanced only.....	17

The following table will show the difference in the number of bushels of wheat required now, compared with the number necessary before the war, to purchase the following machinery:

	Bushels
Two lay plow then 80 bushels, now.....	140
Wagon then 80 bushels, now.....	200
Double harness then 40 bushels, now.....	80
Pair shoes then 6 bushels, now.....	12
Thresher operators then 8 bushels, now.....	16
Harvest labor then 3 bushels, now.....	6½
All other articles in the same ratio.	

History is the only way that we can anticipate the future. No well-informed person but who believes that permanent prosperity can prevail only when the farmer is made reasonably prosperous.

The farmers of the West do not feel that they are paupers, they are not asking for donations or to be loaned cheap money, all they ask is a square deal and a chance to earn an honest living. Practically every agriculture relief bill framed is designed to increase the borrowing facilities of the farmer; I repeat that this is not the relief needed. Plunging the farmer deeper into debt is not the way to aid him. A large percentage of failures in commercial enterprises can be traced to overexpansion caused by easy credit. I agree with those who contend that the farmer used poor judgment when the prices were high by using his credit in buying more land than he has been able to pay for, and in many cases losing all his property, some of which at that time was free from incumbrance; but owing to the decline in land went to make up the difference in the price he paid and at which he has been forced to sell.

For several years past there has been no lack of ready money for every industry which needed it and could make a showing entitling it to consideration. The agencies already existing are ample enough without providing a half dozen other means whereby the farmer can sink deeper into debt. But few farmers can make money on borrowed capital.

The slogan, "Pay as we go," has never been more applicable than at the present time.

Manufacturers of clothing, shoes, iron, steel products, and fabricated goods, and a host of other articles in common use have been helped by the Government through the instrumentality of the tariff law. And those who give long hours of labor, practicing the strictest economy, depriving themselves of many of the necessities of life, feel that people of this kind played the rôle of the hold-up man pointing a gun at the victim while the protected manufacturer goes through his pockets and takes his money.

As evidence the accumulations of corporations in the United States of the immense sum of \$40,000,000,000 since January 1, 1916, to March, 1922, as shown by committee report, is positive proof of an unfair regulated governmental system; that nothing else is necessary to establish discrimination. It is not easy to detect any moral difference between some of the recent methods in disposing of certain oil lands belonging to the people and other valuable natural resources and the manner in which the Government has aided some of these big interests protected by a high tariff law in extorting money from the people who buy their products.

Low prices of farm products, high taxes, high freight rates, and other discriminations against agriculture has verged on to sending whole States into bankruptcy.

The farmer made but little complaint several years prior to 1916. While prices of his products were not high, he was able

to buy much more for a dollar. I shall give as an example the division of a dollar in the year 1923; yet he made no complaint.

Take the wheat producer who toils and risks all to bring forth harvest; he received about 21 per cent; the miller got 7½ per cent; the railroad got 3 cents; the baker got 37 cents; the grocer got 20 cents; and the farmer, for working in the ground, seeding, cutting, thrashing, hauling to market, including four or five months of hard work, got a little better than 21 cents, or one-fifth of the final division of the dollar.

It is useless at this session of Congress to discuss or endeavor to adjust the tariff law, as there would not be enough votes secured to change the law. We must trust that to the future.

A few years ago 75 per cent of the people of this country were engaged in agricultural pursuits, and the estimation at the present time is but 40 per cent. It is difficult to secure farm laborers, as better wages and shorter hours may be obtained in our cities—with more attractive surroundings. Our future citizens will come largely from the farm, as there are at the present time 2,000,000 more children in the rural communities than in our cities in proportion to the same number of families.

We confront a condition and not a theory. The slogan, "Back to the farm" will never prevail unless we can make it more profitable to the people who give long hours of hard drudgery and receive less pay than any other business.

Many suggest farming fewer acres, curtailing production—letting the land lie idle. But this idea is not practical; high taxes, decay of expensive improvements, and no return on the money invested in this land will not enable them to meet their obligations, nor clothe and feed their families. The suggestion is so ridiculous that it can not be seriously considered. For many years I have watched the farm organizations, but they are not getting results. Too great a number scattered over too much territory to be successfully organized, and many are so situated that they are not master of the situation. Others selfishly would not enter into an agreement to hold their products until a certain time. Others take advantage of rising markets and justify the violation of their agreement, as they have obligations they must meet.

I shall vote for the Haugen-McNary bill, as the desperate condition of the farmers justifies taking a chance, but I am not fully persuaded that relief will come with its passage. Wheat is grown in all parts of the world, and for the United States to regulate the price is a big undertaking. The proposed legislation has some merit when we shut out all importations of wheat and provide a sinking fund to pay the loss on the amount exported. I believe our exports have been underestimated, but as I have not the figures to prove this fact, I must accept the figures as given.

The greater part of my life work has been given to agricultural pursuits, and I am inclined to believe that we underestimate the importance of corn in the world's affairs. With such a diversity of crops in all parts of the United States, it is difficult to convince the people living in noncorn producing sections of the country of this fact.

We produce 75 per cent of the world's output of merchantable corn. During the World War the Government was able to fix a minimum price on some of the food products without engaging in the business. The same could be done with the price of corn. If a minimum price of \$1 per bushel was fixed, all the corn-producing States would be removed from wheat production; also fewer cattle and hogs would be raised in the same States until prices of beef and pork were in keeping with the price of corn; and if the tariff prevents the importation of wheat, practically all the wheat raised would be necessary for home consumption. It would give the corn growers, at the price mentioned, a reasonable return for their labor, upkeep of the farm, taxes, and a per cent on their investment, thereby making them prosperous and increasing the demand for cotton and other products raised in different parts of our country. It is estimated to cost 80 cents to produce a bushel of corn, when we consider seed, labor, taxes, and depreciation. Estimating 30 bushels per acre, the remaining 20 cents of the dollar will pay interest at the rate of 6 per cent on \$100-acre land, which is rather a low valuation on good corn ground.

You ask, how would the Government handle the corn, if they found it necessary? It was not necessary to warehouse grain during the war. It will not be necessary now. With a minimum price fixed private individuals or corporations operating warehouses and elevators could continue as now, by simply recognizing the minimum price. I am not afraid that it would be necessary for the Government to engage in the business; however, should occasion arise and the Gov-

ernment find it necessary to warehouse some of the corn to hold in store for a drought period it may prove a great blessing.

No good reason can be advanced why other nations should regulate our prices on a product grown almost exclusively in the United States. I notice one manufacturing establishment manufactures 75 by-products from corn. I would in this connection recommend a systematic system of advertising the food values of corn and its by-products by sending agents into all noncorn producing countries, as was done by force of necessity during the World War. This appeals to me as a very practical method, by selecting some of the most capable men now engaged in the revenue service, whose duties are to watch the farmer when he brings in a few dozen eggs, a few pounds of butter, or a load of wheat, to collect a tax from an already unprofitable business.

Statistics show the production of corn in 1922 as follows:

	Bushels
Amount of corn raised in the United States, 1922-----	2,875,000,000
Amount of corn imported into the United States, 1922-----	124,591
Amount of corn exported to foreign countries, 1922-----	176,409,614
Amount of corn raised in Canada, 1922-----	14,904,000
World's corn crop, 1922-----	3,710,115,000
United States corn crop, 1922-----	2,875,000,000
Total raised outside the United States-----	835,115,000

Glancing back a few years during the war period when corn moved to the \$2 per bushel level, we had \$20 beef, \$20 pork, and it is the conviction of those giving careful thought to the matter—and they are supported by statistics—that as corn advances livestock, beef, pork, and mutton will show a corresponding advance, requiring a few months for adjustment. If that is the case, the stock growers will be in a better financial condition than at present, because they not only will have the advance in the price of meat but they will find a much more prosperous condition among the farmers whose main activity is corn production. This will be especially encouraging to the breeders of purebred livestock. It will furnish a better market for their breeding stock. I believe that the price of livestock, labor, and in fact every line of business would be stabilized and prosperity assured if corn was fixed at a minimum price which would be profitable to the growers of corn. A minimum price on corn would in no way interfere with corporations or individuals dealing in grain, and the farmer would no longer be compelled to raise corn at bankrupt prices.

Practically every forward move that mankind has made has been viewed with apprehension by some critical individuals who feared that the improvement might not prove an unmixed blessing and that it might even be found more harmful than beneficial. There must be some way of stabilizing the farmer's crop so he can depend on a production cost plus a fair margin of profit. There is no other business on earth where this rule is not recognized, and, as the farmer is unable to do this for himself, the Government must and should do it for him. [Applause.]

The CHAIRMAN. The time of the gentleman from Nebraska has expired, and the Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Executive office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1925, namely:

Mr. WOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. LEHLBACH, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 8233, the independent offices appropriation bill, and had come to no resolution thereon.

RETURN OF THE BILL S. 2299

The SPEAKER laid before the House the following message from the Senate of the United States:

IN THE SENATE OF THE UNITED STATES,
March 31, 1924.

Ordered, That the House of Representatives be requested to return to the Senate the bill (S. 2299), entitled "An act to validate the payment of commutation of quarters, heat, and light under the act of April 16, 1918, and of rental and subsistence allowances under the act of June 10, 1922, and for other purposes."

Attest:

GEORGE A. SANDERSON, Secretary.

The SPEAKER. Without objection, the request will be complied with.

There was no objection.

ENROLLED BILL SIGNED

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 6349. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1925, and for other purposes.

LEAVE OF ABSENCE

Mr. MORIN, by unanimous consent, was given leave of absence on account of illness in his family.

ORDER OF BUSINESS

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent to be recognized for one minute.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GARRETT of Tennessee. Mr. Speaker, I would like to ask the gentleman from Ohio [Mr. LONGWORTH] a question. I understood from a conversation earlier in the day touching the order of business that the gentleman was prepared to suggest a certain day upon which the contested-election case of Chandler against Bloom could be taken up and disposed of.

Mr. LONGWORTH. I have consulted with various gentlemen, among them the chairman of Elections Committee No. 3, and it seems to be the general opinion that Thursday of next week would be the best day under the circumstances. So I can say to the gentleman positively that the case will be called up on Thursday, April 10.

Mr. GARRETT of Tennessee. I am sure that will be agreeable to this side; and it will be taken up and disposed of on that day?

Mr. LONGWORTH. It will be taken up and disposed of on that day.

ADJOURNMENT

Mr. WOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 57 minutes p. m.) the House adjourned until to-morrow, Wednesday, April 2, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

423. Under clause 2 of Rule XXIV, a letter from the Secretary of Commerce, transmitting a draft of proposed legislation for the relief of the owners of the British schooner *Hillcrest*, of Lunenburg, Nova Scotia, was taken from the Speaker's table and referred to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SHREVE: Committee on Appropriations. H. R. 8350. A bill making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1925, and for other purposes; without amendment (Rept. No. 419). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. R. 5195. A bill to provide for the establishment of a probation system in the United States courts, except in the District of Columbia; without amendment (Rept. No. 423). Referred to the Committee of the Whole House on the state of the Union.

Mr. WYANT: Committee on Interstate and Foreign Commerce. H. R. 7846. A bill to extend the time for the construction of a bridge across the North Branch of the Susquehanna River from the city of Wilkes-Barre to the borough of Dorranceton, Pa.; without amendment (Rept. No. 420). Referred to the House Calendar.

Mr. DRIVER: Committee on the Territories. H. R. 6255. A bill to amend an act entitled "An act to authorize the incorporation of town of Ketchikan, Alaska, to issue its bonds in any sum not to exceed \$100,000 for the purpose of constructing a schoolhouse in said town and equipping the same," approved February 7, 1920; without amendment (Rept. No. 421). Referred to the House Calendar.

Mr. MICHENER: Committee on the Judiciary. H. R. 6584. A bill amending the law providing for special taxes on business and trades in Alaska; with amendments (Rept. No. 424). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. McREYNOLDS: Committee on Claims. H. R. 3537. A bill for the relief of L. A. Scott; with an amendment (Rept. No. 422). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SHREVE: A bill (H. R. 8350) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1925, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. CONNERY: A bill (H. R. 8351) to amend the war risk insurance act; to the Committee on World War Veterans' Legislation.

By Mr. SHREVE: A bill (H. R. 8352) reclassifying the salaries of custodian employees of the custodial service, nonprofessional positions, and readjusting their salaries and compensation on an equitable basis, and for other purposes; to the Committee on the Civil Service.

By Mr. BUTLER: A bill (H. R. 8353) to authorize major alterations to certain naval vessels and provide for the construction of additional vessels; to the Committee on Naval Affairs.

By Mr. KAHN: A bill (H. R. 8354) to authorize temporary executive disposition, in the public interest, of the services of officers subject to executive control; to the Committee on Military Affairs.

By Mr. NEWTON of Minnesota: A bill (H. R. 8355) to amend an act relative to the naturalization and citizenship of married women, approved September 22, 1922; to the Committee on Immigration and Naturalization.

By Mr. SNYDER: A bill (H. R. 8356) to amend the law relating to timber operations on the Menominee Reservation in Wisconsin; to the Committee on Indian Affairs.

By Mr. LAMPERT: Resolution (H. Res. 243) authorizing the select committee appointed under House Resolution 192 to employ stenographic and other assistance, and for other purposes; to the Committee on Accounts.

By Mr. FITZGERALD: Resolution (H. Res. 244) providing for the appointment of five Members of the House of Representatives to investigate the administration and conditions of the National Military Home; to the Committee on Rules.

By Mr. GARBER: Memorial of the Legislature of the State of Oklahoma petitioning Congress to defeat the provision of House Resolution 178, which directs the Secretary of the Interior to pay certain royalties to the Kiowa, Comanche, and Apache Indian Tribes and divert same from the treasury of the State of Oklahoma; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BULWINKLE: A bill (H. R. 8357) granting a pension to Sallie Radford; to the Committee on Invalid Pensions.

By Mr. BURDICK: A bill (H. R. 8358) granting a pension to Ella F. Young; to the Committee on Invalid Pensions.

By Mr. CONNOLLY of Pennsylvania: A bill (H. R. 8359) granting a pension to Mary Wilson; to the Committee on Pensions.

By Mr. PARKER: A bill (H. R. 8360) granting an increase of pension to Cynthia Lillie; to the Committee on Invalid Pensions.

By Mr. RAINEY: A bill (H. R. 8361) granting an increase of pension to Benjamin R. Cox; to the Committee on Invalid Pensions.

By Mr. ROUSE: A bill (H. R. 8362) granting an increase of pension to Anna M. Weber; to the Committee on Invalid Pensions.

By Mr. RUBEY: A bill (H. R. 8363) granting a pension to Vesta J. Hutsell; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 8364) granting a pension to Betsy T. Burke; to the Committee on Invalid Pensions.

By Mr. TINCHER: A bill (H. R. 8365) granting an increase of pension to Sarah A. Elliott; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2112. By the SPEAKER (by request): Petition of Popular Authors Literary Club, of Winthrop, Mass., approving results obtained by the Special Commission on Narcotics; to the Committee on Foreign Affairs.

2113. Also (by request), petition of National Council of Congregational Churches, urging Congress to enact into law the Dyer antilynching bill; to the Committee on the Judiciary.

2114. By Mr. ALDRICH: Petition of Bonefro Lodge, No. 470, Order Sons of Italy, Providence, R. I., protesting against the passage of the Johnson immigration bill; to the Committee on Immigration and Naturalization.

2115. By Mr. BARBOUR: Petition of the Hughson (Calif.) Board of Trade, indorsing the movement that the United States cooperate with European countries in their efforts toward reparations adjustment; to the Committee on Foreign Affairs.

2116. By Mr. CHINDBLOM: Petition of J. Schneider and others, favoring passage of House bill 184, increasing tariff duty on canary birds, and for other purposes; to the Committee on Ways and Means.

2117. By Mr. CRAMTON: Petition of the Columbus and Richmond Farmers' Club, Michigan, urging favorable action on the McNary-Haugen agricultural export bill; to the Committee on Agriculture.

2118. By Mr. GARBER: Petition of citizens of Blackwell, Kay County, Okla., urging the enactment of the Johnson immigration bill; to the Committee on Immigration and Naturalization.

2119. Also, petition of Oklahoma Utilities Association, Oklahoma City, Okla., urging that Congress appropriate sufficient funds to carry out the provisions of the national defense act of 1920; to the Committee on Ways and Means.

2120. Also, petition of Enid Board of Trade, Enid, Okla., condemning the McNary-Haugen bill now pending; to the Committee on Agriculture.

2121. Also, petition of citizens of Fairview, Okla., indorsing the Johnson immigration bill; to the Committee on Immigration and Naturalization.

2122. By Mr. McNULTY: Petition of citizens of New Jersey, for equal rights amendment; to the Committee on the Judiciary.

2123. By Mr. MAGEE of Pennsylvania: Petitions of members and representatives of over 50 organizations and societies composed of foreign-born residents and naturalized citizens and natives of Pittsburgh and Allegheny County, protesting against the Johnson immigration bill; to the Committee on Immigration and Naturalization.

2124. By Mr. MORROW: Petition of Baptist Woman's Missionary Society, of Chamberino, N. Mex., Mrs. E. M. Mahill, president, favoring the Johnson immigration bill; to the Committee on Immigration and Naturalization.

2125. By Mr. O'CONNELL of Rhode Island: Petition of members of Bonefro Lodge, No. 470, Order Sons of Italy in America, Providence, R. I., opposing the Johnson immigration bill; to the Committee on Immigration and Naturalization.

2126. By Mr. RAINEY: Petition of A. M. Zimmerman and 109 other citizens of Pike County, Ill., favoring Johnson immigration bill; to the Committee on Immigration and Naturalization.

2127. Also, petition of C. C. Klinefelter and 69 other citizens of Pike County, Ill., favoring the Johnson immigration bill; to the Committee on Immigration and Naturalization.

2128. Also, petition of C. E. Wells and 700 other citizens of Jacksonville, Ill., favoring Johnson immigration bill; to the Committee on Immigration and Naturalization.

2129. By Mr. WEFALD: Petition of 26 farmers of Silverton Township, Minn., urging the passage of the McNary-Haugen bill, providing for the relief of agriculture; to the Committee on Agriculture.

2130. Also, petition of 27 farmers of Hubbard Township, Minn., urging the enactment of the McNary-Haugen bill into law, providing for the relief of agriculture; to the Committee on Agriculture.

2131. Also, petition of 23 farmers of Esther Township, Minn., urging the passage of the McNary-Haugen bill, providing for the relief of agriculture; to the Committee on Agriculture.